

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

MAY 5, 2015

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 on Tuesday, May 5, 2015, at 5:10 p.m. in PIDC's Board Room, 26th floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

Members attending:

Leslie Anne Miller, Esquire – by phone
Evelyn Smalls
David L. Hyman, Esquire
Harold Yaffe, DDS

Attending from the PIDC staff:

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

Upon motion made by Dr. Yaffe and seconded by Ms. Smalls, the Minutes of the Meeting of the PAID Board held on April 21, 2015 were approved.

Mr. Grady requested approval of the following Resolutions:

1. A Resolution authorizing Philadelphia Authority for Industrial Development's ("PAID" or the "Authority") consent for the issuance of a \$526,000,000 tax-exempt financing through the Montgomery County Industrial Development Authority ("MCIDA" or the "Issuer") in the form attached hereto as Enclosure 1, on behalf of the Albert Einstein Healthcare Network (the "Borrower"). The proceeds of the bonds will finance (i) the advance refunding of the Pennsylvania Economic Development Financing Authority's Health System Revenue Bonds, Albert Einstein Healthcare Network Issue, Series 2009A, and MCIDA's FHA Insured Mortgage Revenue Bonds (New Regional Medical Center Project), the proceeds of which were used to construct Einstein Medical Center Montgomery, (ii) the refinancing of taxable debt incurred with the construction of the Einstein Medical Center Montgomery (iii) the payment or reimbursement of costs for building renovations, equipment or other

miscellaneous capital expenditures for various controlled affiliates of the Borrower, including Albert Einstein Medical Center, Philadelphia and Elkins Park campuses and Einstein Crisis Response Center, (iv) the funding of a debt service reserve fund, and (v) 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 the Authority.

Upon motion made by Ms. Smalls and seconded by Ms. Miller with Mr. Hyman abstaining (stating that Eric Pritchard, Chairman of the Montgomery County Industrial Development Authority, is also a Partner in the Business and Finance Department at Kleinbard LLC – see Enclosure 2), the Members approved the above Resolution.

2. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a lease with Brightfields, Inc. for approximately 180 square feet of space in Quarters M2 in The Navy Yard's Historic Core section. The lease will have a term of 12 months with one, one-year renewal. Monthly rent will be \$1,200 on a gross basis, with an increase of 3% for the renewal term. All building operating expenses and the Navy Yard Common Area Maintenance Charges (CAM) are included in the monthly rent.

Upon motion made by Mr. Hyman and seconded by Dr. Yaffe, the Members unanimously approved the above Resolution.

3. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a lease with Haines and Kibblehouse, Inc. or its nominee or assignee for 580 square feet of space in Building 101 located in The Navy Yard's Historic Core section. The lease will have a fixed rental rate of \$2,000 per month, equaling \$24,000 per year. Building operating expenses and The Navy Yard Common Area Maintenance Charges (CAM) are included in the fixed rent. The initial lease will have a term of three years and includes a two-year renewal option.

Upon motion made by Ms. Smalls and seconded by Mr. Hyman, the Members unanimously approved the above Resolution.

There being no further business, the Meeting was adjourned.

May 5, 2015

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

**RESOLUTION
Adopted May 5, 2015**

WHEREAS, the Philadelphia Authority for Industrial Development (the “Authority”) is a body corporate and politic constituting a public instrumentality of the Commonwealth of Pennsylvania (the “Commonwealth”) created under and pursuant to the Pennsylvania Economic Development Financing Law (Act of August 23, 1967, P.L. 251), as amended and supplemented (the “Act”); and

WHEREAS, Albert Einstein Healthcare Network (the “Corporation”), a non-profit corporation incorporated and existing under the laws of the Commonwealth of Pennsylvania (the “Commonwealth”), has requested the Montgomery County Industrial Development Authority (“MCIDA”) to issue its tax exempt revenue bonds in a maximum principal amount of up to \$526,000,000, in one or more series (the “MCIDA Bonds”) to assist in the financing of a project (the “Project”) of the Corporation consisting generally of: (a) the advance refunding of (i) the Pennsylvania Economic Development Financing Authority’s Health System Revenue Bonds, Albert Einstein Healthcare Network Issue, Series 2009A (the “2009 Bonds”), the proceeds of which were used to refinance taxable debt, the proceeds of which were used to finance and refinance the acquisition, renovation and construction of certain health care facilities, capital equipment and related health care facilities and (ii) the Authority’s FHA Insured Mortgage Revenue Bonds (New Regional Medical Center Project) Series 2010 (the “2010 Bonds), the proceeds of which were used to construct Einstein Medical Center Montgomery (the 2010 Bonds, together with the 2009 Bonds, shall be referenced herein as the “Prior Bonds”), (b) the refinancing of taxable debt incurred to pay a portion of the capitalized costs associated with the construction of the Einstein Medical Center Montgomery financed with the proceeds of the 2010 Bonds, (c) the payment of (or reimbursement to the Corporation for) costs of building renovations, equipment or other miscellaneous capital expenditures for various controlled affiliates of the Corporation, including expansions, renovations and upgrades to Albert Einstein Medical Center, Philadelphia and Elkins Park campuses, and Einstein Crisis Response Center, and the acquisition and upgrade of information systems, (d) the funding of a deposit to a debt service reserve fund, and (e) the payment of costs of issuance of the Bonds; and

WHEREAS, a portion of the facilities to be financed or refinanced with proceeds of the MCIDA Bonds are located in the City of Philadelphia (the “Philadelphia Facilities”); and

WHEREAS, Section 147(f) of the Internal Revenue Code of 1986, as amended (the “Code”), requires that each government unit having jurisdiction over the areas in which tax exempt bond-financed facilities are located approve the issuance of such bonds (the “TEFRA Approval”); and

May 5, 2015

WHEREAS, in accordance with the requirements of Section 147(f) of the Code, MCIDA held a public hearing at 9:00 a.m. on May 1, 2015, and a hearing report, certified by the hearing officer, has been delivered to the Authority on behalf of the City of Philadelphia (the “City”); and

WHEREAS, the Corporation has requested that the Authority assist the Corporation in obtaining the TEFRA Approval from the Mayor of the City, the City’s highest elected official, in connection with the issuance of the MCIDA Bonds to finance the Philadelphia Facilities;

NOW, THEREFORE BE IT RESOLVED BY THE PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT, as follows:

Section 1. Approving Issuance of MCIDA Bonds. The Authority hereby approves the issuance by MCIDA of the MCIDA Bonds for the purpose of financing the Philadelphia Facilities.

Section 2. Incidental Action. The appropriate officers of the Authority are hereby authorized and directed to accept and approve the completed TEFRA application from the Corporation and to execute and deliver such other documents and instruments and to take or approve the taking of such other action as may be necessary or appropriate in order to assist the Corporation in obtaining the TEFRA Approval of the Mayor.

Section 3. Effective Date; Inconsistent Prior Resolutions Repealed. This Resolution shall take effect immediately upon its adoption, and all prior resolutions or parts thereof inconsistent herewith shall be repealed.

Section 4. Limitation of Liability. The issuance and sale of the MCIDA Bonds shall not be construed so as to give rise to any 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. The MCIDA Bonds shall not be in any way a debt or liability of the Commonwealth, the City of Philadelphia nor of any other political subdivision thereof. Neither the general credit nor the taxing power of the Commonwealth, the City of Philadelphia nor any other political subdivision thereof is pledged to the payment of the principal or purchase price of the MCIDA Bonds or interest thereon or any premium or other cost incident thereto. The Authority has no taxing power.

May 5, 2015

I, the (Assistant) 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 the Authority at a meeting held on May 5, 2015, notice of which was given in accordance with the requirements of law and the by-laws of the Authority and at which a quorum of the Authority was present and acted throughout; and that such resolution has not been amended, modified or repealed.

(Assistant) Secretary

Enclosure 2

May 5, 2015

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

Ms. Joan Decker
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 5, 2015 and disclosed that Eric Pritchard, Chairman of the Montgomery County Industrial Development Authority (MCIDA) is also a Partner in the Business and Finance Department at Kleinbard LLC. I, therefore, announced my disqualification from consideration of a Resolution authorizing PAID to consent to the issuance of a \$526,000,000 tax-exempt financing through the Montgomery County Industrial Authority on behalf of the Albert Einstein Healthcare Network.

Sincerely,

DAVID L. HYMAN, ESQUIRE

DLH/mac