

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF THE
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
JULY 21, 2015**

Leslie Anne Miller, Esquire, Vice Chair, presided by phone at the Meeting of the Members of the Board of Directors of the Philadelphia Authority for Industrial Development on Tuesday, July 21, 2015, at 5:15 p.m. in PIDC's Board Room, 26th floor, Centre Square West, 1500 Market Street, Philadelphia, PA.

Members attending:

Evelyn Smalls
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 Ms. Smalls and seconded by Dr. Yaffe, the Minutes of the Meeting of the PAID Board held on June 30, 2015 were approved.

Mr. Grady requested approval of the following Resolutions:

1. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to acquire fee simple title to an approximately 20,618 square foot property located at 3300-3322 N. Front Street from the City of Philadelphia, and further authorizing PAID to sell this property to J & P Laundromat, LLC., or its assignee or nominee, for a consideration of \$170,000. 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 City of Philadelphia upon such terms and conditions as they deem to be in the best interests of the Authority.

Upon motion duly made by Dr. Yaffe and seconded by Ms. Smalls, the Members unanimously approved the above Resolution.

2. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to contract with BrightFields, Inc. to provide general contracting and remediation services for the permanent

closure and removal of two Navy Yard fuel oil aboveground storage tanks (AST) systems per state and city code regulations. The contract amount will be for \$395,000. The sources of funds for this work are the Navy Yard Capital Account. The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements upon such terms and conditions as they deem to be in the best interests of PAID.

Upon motion duly made by Dr. Yaffe and seconded by Ms. Smalls, the Members unanimously approved the above Resolution.

3. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into contract with Constellation New Energy (Constellation) for the procurement of electricity supply for The Navy Yard. The contract amount shall not exceed \$55,000,000 for a four-year period from 2016 through 2019 with the final amount to be determined following a competitive solicitation process and based upon actual electric consumption. The source of funds for this work will come from revenue generated through the sale of electricity to customers at The Navy Yard. The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements in advance, and to do such other acts necessary to contract for the procurement of electricity supply for The Navy Yard upon such terms and conditions as they deem to be in the best interests of the Authority.

Upon motion duly made by Ms. Smalls and seconded by Dr. Yaffe, the Members unanimously approved the above Resolution.

4. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to provide a loan in the amount of \$300,000 for a term of three years at an interest rate of 1% and a grant in the amount of \$300,000 to the University of Pennsylvania or its nominee or assignee. The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and do such other acts necessary to assist the University of Pennsylvania or its nominee or assignee upon such terms and conditions as they deem to be in the best interests of this Corporation.

Mr. Grady informed the Members that Craig Carnaroli, Executive Vice President of the University of Pennsylvania, is a Member of the PIDC Executive Committee and Board of Directors.

Upon motion duly made by Dr. Yaffe and seconded by Ms. Smalls, the Members unanimously approved the above Resolution.

5. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a lease with Zoomer, Inc. or its nominee or assignee for 7,800 square feet of space in Building 101

located in The Navy Yard's Historic Core section. The lease will have a term of three years and three months with one three-year renewal. Annual rent is on a triple net basis with the tenant paying for its portion of all building operating expenses and the Navy Yard Common Area Maintenance Charges (CAM) in addition to Base Rent. Base Rent commences at \$23.00 per square foot with increases of 3 percent every year thereafter but provides for a five-month ramp up period including two months of free rent in lieu of providing any tenant improvements. The appropriate officers of PAID are hereby authorized and empowered to execute all necessary documents and agreements, and to take such other actions as may be required to implement this Resolution.

Upon motion duly made by Ms. Smalls and seconded by Dr. Yaffe, the Members unanimously approved the above Resolution.

6. A Resolution authorizing the issuance of Senior Multifamily Housing Revenue Bonds, Series of 2015 (Bonds) through the Philadelphia Authority for Industrial Development (PAID or Authority), on behalf of NewCourtland Apartments at Allegheny 2, LP (Borrower) in an amount up to \$6,000,000, in form attached hereto as Enclosure 1. The proceeds of the Bonds will be used by the Borrower to finance (a) the construction and equipping of a 45-unit senior residential housing facility located at 1900 West Allegheny Avenue, Unit 3 in the City of Philadelphia, (the Facility); (b) a debt service reserve fund or a credit enhancement facility, if required; and (c) a portion of 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 Borrower and its affiliates upon such terms and conditions as they deem to be in the best interests of the Authority.

Upon motion duly made by Dr. Yaffe and seconded by Ms. Smalls, the Members unanimously approved the above Resolution.

There being no further business, the Meeting was adjourned.

BOND RESOLUTION

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

Adopted: July 21, 2015

AUTHORIZING AND DIRECTING THE ISSUANCE OF UP TO \$6,000,000 AGGREGATE PRINCIPAL AMOUNT OF THE AUTHORITY'S TAX-EXEMPT MULTIFAMILY HOUSING REVENUE BONDS TO FINANCE A SENIOR HOUSING PROJECT TO BE KNOWN AS THE NEWCOURTLAND APARTMENTS AT ALLEGHENY 2; AUTHORIZING THE EXECUTION AND DELIVERY OF A TRUST INDENTURE AND A LOAN AGREEMENT FOR THE BONDS, A TAX REGULATORY AGREEMENT AND DECLARATION OF RESTRICTIVE COVENANTS AND A BOND PLACEMENT AGREEMENT; PROVIDING FOR THE ESTABLISHMENT OF THE TERMS, AND AUTHORIZING AND DIRECTING THE EXECUTION AND DELIVERY OF SUCH BONDS; AND MAKING CERTAIN RELATED DETERMINATIONS AND AUTHORIZING OTHER NECESSARY OR APPROPRIATE ACTIONS.

WHEREAS, the Philadelphia Authority for Industrial Development (the "Authority") is a public instrumentality of the Commonwealth of Pennsylvania (the "Commonwealth") and a public body corporate and politic organized and existing under the Pennsylvania Economic Development Financing Law, Act of August 23, 1967, P.L. 251, as amended (the "Act"); and

WHEREAS, NewCourtland Elder Services, a Pennsylvania nonprofit corporation (the "Sponsor"), is the sponsor and current owner of real property on which a senior housing facility to be known as the NewCourtland Apartments at Allegheny 2 (the "Facility") located at 1900 West Allegheny Avenue, Unit 3, Philadelphia, Pennsylvania (the "Premises") will be constructed; and

WHEREAS, the Sponsor proposes to sell the Premises to NewCourtland Apartments at Allegheny 2, LP, a Pennsylvania limited partnership (the "Borrower") of which Apartments at Allegheny 2, Inc. is the general partner; and

WHEREAS, the Borrower has requested the Authority to issue tax-exempt bonds consisting of the Philadelphia Authority for Industrial Development Senior Multifamily Housing Revenue Bonds (NewCourtland Apartments at Allegheny 2 Project), Series of 2015 (the "Bonds"); and

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WHEREAS, the proceeds of the Bonds, along with other available funds, will be used by the Borrower to finance the costs of a project (the "Project") consisting of the acquisition, construction and equipping of the Premises and the Facility which will, thereafter, be known as the "NewCourtland Apartments at Allegheny 2" (the "Facility"); and

WHEREAS, the Borrower has represented that the Project will promote the public purposes of the Act, which include but are not limited to, alleviating unemployment, maintaining employment at a high level, and creating and developing business opportunities in and for the benefit of the Commonwealth; and

WHEREAS, the Bonds are to be issued under and secured pursuant to a Trust Indenture (the "Trust Indenture") between the Authority and a trustee selected by the Borrower and acceptable to the Authority, as trustee (the "Trustee"); and

WHEREAS, pursuant to the terms of a Loan Agreement (the "Loan Agreement") between the Authority and the Borrower, the Authority will make a loan to the Borrower (the "Loan") in an amount equal to the principal amount of the Bonds and the Borrower will agree to repay the Loan in installments in such amounts and at such times as will be sufficient to pay when due the principal or redemption price of, and interest on, the Bonds; and

WHEREAS, it is anticipated that the Bonds will be placed directly with a bank that is an accredited investor (the "Bond Purchaser"), in its capacity as lender and not as an underwriter, pursuant to a bond purchase agreement (the "Purchase Agreement") among the Authority, the Borrower and the Bond Purchaser; and

WHEREAS, as security for the repayment of the Bonds, the Borrower will, among other things, enter into a Mortgage, Assignment of Leases and Rents and Security Agreement with respect to the Premises directly with the Trustee; and

WHEREAS, the Facility shall also be subject to a Tax Regulatory Agreement and Declaration of Restrictive Covenants among the Authority, the Borrower and the Trustee (the "Regulatory Agreement") to preserve the excludability from gross income for federal income tax purposes of interest on the Bonds under the Internal Revenue Code of 1986, as amended, and applicable regulations thereunder (the "Code") by complying with, among other things, applicable low and moderate income set-aside requirements; and

WHEREAS, certain action is required to be taken by the Authority as a prerequisite to the issuance and sale of the Bonds;

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

Section 1. APPROVAL OF PROJECT; AUTHORIZATION OF ISSUANCE OF BONDS. The Authority hereby approves the Project as an authorized undertaking by the Authority and authorizes the issuance of the Bonds and approves the application of the proceeds thereof for the purpose of financing the Project.

Section 2. REIMBURSEMENT. It is intended by this Authority, through this Resolution, to indicate its present intent to issue the Bonds to aid in financing the Project. The Authority reasonably expects that the Borrower will reimburse itself from the proceeds of the Bonds for qualifying expenditures within the meaning of Treasury Regulation Section 1.150-2(d)(3), made (from its funds which do not constitute proceeds of tax-exempt revenue bonds or notes) not earlier than 60 days prior to the adoption of this Resolution or to be made by the Borrower in connection with the acquisition and construction of the Project; provided that the issuance of the Bonds occurs not later than (A) eighteen (18) months after the later of: (i) the date the expenditure from a source other than the Bonds is paid; or (ii) the date the Project is "placed in service" (within the meaning of Treasury Regulations Section 1.150-2) or abandoned, but in no event more than three (3) years after the expenditure is paid; or (B) the date otherwise permitted by the Code or Treasury Regulations promulgated thereunder. This is a declaration of official intent necessary to comply with the requirements of Section 1.150-2 of the United States Treasury Regulations, as required by Section 1.150-2(d)(1) of those Regulations.

Section 3. APPROVAL AND EXECUTION OF DOCUMENTS. The Chairman and Vice Chairman of the Authority are hereby severally authorized and directed to execute or accept and deliver, and, if required, the Secretary and Assistant Secretary are hereby severally authorized and directed to affix the corporate seal of the Authority thereto and to attest the same, the Trust Indenture, the Loan Agreement, the Regulatory Agreement, the Purchase Agreement, each of such documents to be in such form as counsel to the Authority may recommend and the officers of the Authority executing the same may approve, such approval to be conclusively evidenced by their execution thereof (together, the "Authority Documents").

Section 4. ISSUANCE AND SALE OF BONDS. The issuance of the Bonds in an aggregate principal amount not to exceed \$6,000,000 is authorized and approved. The forms of the Bonds shall be as set forth in the Trust Indenture; the signature of the Chairman or Vice Chairman of the Authority or facsimile thereof is hereby authorized and directed to be printed on the Bonds, and the corporate seal of the Authority or a facsimile thereof is authorized and directed to be imprinted thereon and attested by the manual or facsimile signature of the Secretary or Assistant Secretary of the Authority. The Chairman or Vice Chairman is authorized and directed to deliver each series of Bonds to the Trustee for authentication under the Trust Indenture herein authorized and, when they have been authenticated, to deliver them or cause them to be delivered to the respective Bond Purchaser against receipt of the purchase price therefor plus any accrued interest due and to deposit the amount so received with the Trustee, as provided in the Trust Indenture.

The Bonds shall be special limited obligations of the Authority payable solely out of the payments made by the Borrower under the Loan Agreement and out of other moneys and

properties held by the Trustee under the Trust Indenture. The Bonds shall not be in any way a debt or liability of the City of Philadelphia, the Commonwealth of Pennsylvania or of any other political subdivision thereof and shall not create or constitute any indebtedness, liability or obligation of the City of Philadelphia, the Commonwealth of Pennsylvania or any other political subdivision thereof, 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.

Section 5. TERMS OF BONDS. The Bonds shall have a final maturity not exceeding 40 years and shall bear interest at an average rate not exceeding 10% per annum. The Bonds shall be in the denominations and in registered form carrying the exchangeability privileges, be payable in the medium of payment and at such places, be subject to mandatory and optional redemption prior to maturity and be entitled to the priorities in the revenues of the Authority as provided in the Trust Indenture. All of the provisions of the Trust Indenture, when executed and delivered as authorized herein, shall be deemed to be part of this Resolution as fully and to the same extent as if incorporated herein and shall be in full force and effect from the date of execution thereof.

Section 6. AUTHENTICATION OF BONDS. The Trustee is hereby requested to authenticate the Bonds and to deliver them to or upon the order of the Chairman or the Vice Chairman of the Authority.

Section 7. CUSIP NUMBERS. In accordance with the recommendation of the American Bankers Association Committee on Uniform Security Identification Procedures ("CUSIP") a CUSIP number may, if requested by the Bond Purchaser, be imprinted on each of the applicable series of Bonds in definitive form.

Section 8. INVESTMENT OF FUNDS. The Trustee shall be, by virtue of this Resolution and without further authorization from the Authority, authorized, directed and requested to invest and reinvest all moneys available therefor pursuant to the Trust Indenture, which by the terms of the Trust Indenture may be invested, or to deposit and redeposit such moneys in such accounts as may be permitted by the Trust Indenture, all subject to the terms and limitations contained in the Trust Indenture.

Section 9. BOND COUNSEL. At the request of the the Borrower, Fineman Krekstein & Harris, P.C., Philadelphia, Pennsylvania, is hereby appointed Bond Counsel with respect to the Bonds.

Section 10. TEFRA HEARING; BOND FINANCING APPLICATION; ADDITIONAL ACTIONS. The conduct of the public hearing on the Project and the financing thereof with the proceeds of the Bonds, in accordance with Section 147(f) of the Code, is hereby ratified and confirmed.

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The appropriate officers of the Authority are hereby authorized and directed to accept a completed Bond Financing Application (the "Application") from the Borrower and to submit such Application to the Department of Community and Economic Development of the Commonwealth for final approval, and to execute and deliver such other documents and instruments, upon advice of Authority Counsel or Bond Counsel including, but not limited to, any tax certificates or agreements required to ensure compliance with the Code, and to take or approve the taking of such other action as may be necessary or appropriate in order to effectuate the execution and delivery of the Authority Documents, the issuance and sale of the Bonds and the financing of the Project, all in accordance with this Resolution.

Section 11. REPEAL. This Resolution shall take effect immediately upon its adoption this 21st day of July, 2015, and all prior resolutions or parts thereof inconsistent herewith are hereby repealed and rescinded.

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 July 21, 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 modified, amended, repealed or rescinded and is in full force on the date hereof.

(Assistant) Secretary

Date: _____