

**MINUTES OF THE MEETING OF THE BOARD OF DIRECTORS OF  
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT  
JULY 12, 2016**

Chairman Thomas A.K. Queenan presided at the Meeting of the Members of the Board of Directors of the Philadelphia Authority for Industrial Development held on Tuesday, July 12, 2016 at 5:20 p.m. in PIDC's offices, 2600 Centre Square West, 1500 Market Street, Philadelphia, PA.

Other Members attending:

David L. Hyman, Esq.  
Denis J. Paglioti  
Evelyn Smalls

Also attending:

Terry Booker, Board Member

Attending from PIDC staff:

John Grady, President  
Ilene Burak, Esq., Senior Vice President/General Counsel  
Anthony Simonetta, Senior Vice President  
Cassie Gardner, Executive Assistant

Upon a motion duly made and seconded the Minutes of the meeting held on May 17, 2016 were unanimously approved.

Mr. Grady requested approval of the following Resolutions:

1. A Resolution, in the form attached as Enclosure 1, authorizing approval of a tax-exempt bond financing through the Philadelphia Authority for Industrial Development ("PAID" or the "Authority") in an amount not to exceed \$40,000,000, on behalf of the National Board of Medical Examiners (the "Borrower" or "NBME").

The proposed bonds will be used to finance (i) the advance refunding of the Authority's Series of 2008A Bonds (National Board of Medical Examiners Project) and (ii) certain 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 a motion duly made and seconded, the Members unanimously approved the above resolution.

2. A Resolution authorizing Philadelphia Authority for Industrial Development (PAID) to provide a loan in the amount of \$150,000 for a term of 77 months at a fixed interest rate of 2.75% to Mercer Café, II LLC 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 Mercer Café II LLC or its nominee or assignee upon such terms and conditions as they deem to be in the best interests of this Corporation.

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

3. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a lease with Asystek Solutions Group 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 term of three years with two three-year renewals. 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 \$31.66 per square foot with increases of 2.2 percent every year for the initial term and 3% annual increases every year for both renewal terms. No free rent was provided for tenant improvements.

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

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

4. A Resolution authorizing the Philadelphia Authority for Industrial Development (PAID) to enter into a lease with Holt Construction or its nominee or assignee for 2,750 square feet of space in Quarters M4 located in The Navy Yard's Historic Core section. The lease will have a term of three years and one month with two three-year renewals. 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 \$25.00 per square foot with increases of 3 percent every year thereafter but provides one month 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 do such other acts necessary upon such terms and conditions as they deem to be in the best interests of the Authority.

Upon a 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.

Enclosure 1.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

BOND RESOLUTION

AUTHORIZING THE ISSUANCE OF UP TO \$40,000,000 REVENUE REFUNDING BONDS, SERIES OF 2016 (NATIONAL BOARD OF MEDICAL EXAMINERS PROJECT) OF PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT AND THE DISPOSITION OF THE PROCEEDS FROM THE SALE THEREOF FOR THE PURPOSE OF FINANCING A REFUNDING PROJECT; AUTHORIZING THE EXECUTION AND DELIVERY OF AND APPROVING THE FORM OF A TRUST INDENTURE, THE 2016 BONDS, AND A LOAN AGREEMENT WITH THE NATIONAL BOARD OF MEDICAL EXAMINERS AND OTHER FINANCING DOCUMENTS; AUTHORIZING THE PREPARATION AND DISTRIBUTION OF A PRELIMINARY OFFICIAL STATEMENT AND AN OFFICIAL STATEMENT IN CONNECTION WITH THE OFFER AND SALE OF THE 2016 BONDS; AUTHORIZING THE EXECUTION AND DELIVERY OF OTHER NECESSARY DOCUMENTS AND AUTHORIZING OTHER NECESSARY ACTION.

WHEREAS, the Philadelphia Authority for Industrial Development (the "Authority") is organized under the Economic Development Financing Law, as amended and supplemented from time to time (73 P.S. § 371 *et seq.*) (the "Act") and is empowered under the Act to acquire, by purchase or otherwise, any lands or interest therein or other property which it may determine is reasonably necessary for any project and to enter into contracts with respect to the planning, designing, financing, construction, reconstruction, improvement, equipping, furnishing, operation and maintenance of a project, for such consideration and upon such terms and conditions as the Authority may determine to be reasonable. Capitalized terms used herein but not defined herein shall have the meanings ascribed to them in the Indenture (as defined herein); and

WHEREAS, due to favorable market conditions, the National Board of Medical Examiners of the United States of America, a District of Columbia not-for-profit corporation (the "National Board") has requested the Authority to undertake a project consisting of: (i) the advance refunding of the Authority's \$41,025,000 Series of 2008A Bonds (National Board of Medical Examiners Project) (the "2008A Bonds"); and (ii) the payment of certain costs of issuance (collectively, the "Refunding Project"); and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Series of 1992 (National Board of Medical Examiners Project) (the "1992 Bonds") pursuant to an Indenture of

Trust dated as of May 1, 1992 between the Authority and the Trustee (the "Prior Indenture") for the purpose of financing: (i) the acquisition of a 59,455 square foot parcel of land located at the southeast corner of 38th and Market Streets, Philadelphia, Pennsylvania and the construction thereon of an approximately 125,000 square foot office building and an approximately 120 car parking facility to be used by the National Board; (ii) the acquisition of equipment to be used therein ((i) and (ii) are collectively, the "Existing Headquarters Facility"); and (iii) a portion of the costs of issuance; and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Series of 1999 (National Board of Medical Examiners Project) (the "1999 Bonds") pursuant to the Prior Indenture for the purpose of financing: (i) the advance refunding of the 1992 Bonds; (ii) the expansion of its Existing Headquarters Facility (as so expanded, the "Headquarters Facility") and the acquisition of equipment and furnishings to be used therein; and (iii) financing the costs of issuance of the 1999 Bonds; and

WHEREAS, the Authority has heretofore issued its Revenue Bonds, Series of 2008 (National Board of Medical Examiners Project) (the "2008 Bonds") pursuant to the Prior Indenture for the purpose of financing a project consisting of: (i) the further expansion of the National Board's Headquarters Facility, (ii) the acquisition of equipment to be used in the National Board's Headquarters Facility together with certain renovations and refurbishing therein and the acquisition of equipment to be used in its further expanded Headquarters Facility, (iii) the purchase of parking spaces located at 3711 Market Street, Philadelphia Pennsylvania and (iv) the financing of costs of issuance; and

WHEREAS, the Authority has heretofore issued its 2008A Bonds pursuant to the Prior Indenture for the purpose of: (i) the current refunding of the 2008 Bonds and (ii) the financing of costs of issuance; and

WHEREAS, the only bonds outstanding under the Prior Indenture are the 2008A Bonds; and

WHEREAS, in connection with the issuance of the 2016 Bonds (hereinafter defined) the lien of the Prior Indenture will be discharged; and

WHEREAS, in connection with the issuance of bonds under the Prior Indenture, the National Board entered into a Master Trust Indenture with The Bank of New York Mellon Trust Company, N.A. (as successor master trustee) dated as of May 1, 1992, as amended and supplemented (the "Master Indenture"); and

WHEREAS, the Master Indenture authorized the National Board to issue notes thereunder; and

WHEREAS, in connection with the issuance of notes under the Master Indenture, the National Board and the Authority entered into an Installment Sale Agreement dated as of May 1, 1992, as amended and supplemented (the "Installment Sale Agreement") in order to provide security for the notes issued under the Master Indenture; and

WHEREAS, the only note currently outstanding under the Master Indenture is the master note issued in connection with the 2008A Bonds and secured pursuant to the Installment Sale Agreement; and

WHEREAS, in connection with the issuance of the 2016 Bonds (hereinafter defined) the lien of the Master Indenture and the Installment Sale Agreement will be discharged; and

WHEREAS, in order to finance the Refunding Project, the Authority has determined to issue up to \$40,000,000 Revenue Refunding Bonds (National Board of Medical Examiners Project), Series 2016 (the "2016 Bonds") to be issued, mature, bear interest, be redeemable and have other terms and provisions as provided for therein and in an Indenture of Trust to be entered into between the Authority and The Bank of New York Mellon Trust Company, N.A., as trustee, dated as of August 1, 2016, or such later date (the "Indenture"); and

WHEREAS, in connection with the issuance of the 2016 Bonds and simultaneously with the execution of the Indenture, the Authority and the National Board will enter into a Loan Agreement (the "Loan Agreement") dated as of August 1, 2016 or such later date, providing for payments by the National Board in amounts sufficient to meet the principal of and interest on the 2016 Bonds; and

WHEREAS, the 2016 Bonds will be a general obligation of the National Board and the full faith and credit of the National Board will be pledged to the payment of all sums due under the Loan Agreement; and

WHEREAS, the Authority, the National Board and The Bank of New York Mellon Trust Company, N.A, as escrow agent (the "Escrow Agent") will enter into a pledge and escrow agreement dated as of August 1, 2016, or such later date (the "Escrow Agreement") to effect the redemption and payment, including payment of principal and interest, of the 2008A Bonds to and including May 1, 2018, the first optional date of redemption of the 2008A Bonds; and

WHEREAS, the Authority will issue and Barclays Capital, Inc., acting for itself and on behalf of other purchasers of the 2016 Bonds, if any, (the "Underwriter"), will distribute a preliminary official statement (the "Preliminary Official Statement") and a final official statement for the 2016 Bonds (the "Official Statement") in connection with the purchase of the 2016 Bonds; and

WHEREAS, the Underwriter expects to make a proposal for the purchase of the 2016 Bonds pursuant to a bond purchase contract (the "Purchase Contract") among the Underwriter, the Authority and the National Board; and

WHEREAS, the Authority desires to authorize the issuance, execution and delivery of the 2016 Bonds and the undertaking of the Refunding Project, and desires to authorize its Chairman, Vice Chairman, Secretary, Assistant Secretary or Treasurer to execute on behalf of the Authority, the Indenture, the 2016 Bonds, the Loan Agreement, the Escrow Agreement, the Purchase Contract, the Official Statement, and such other instruments and documents as shall be necessary or appropriate; and

WHEREAS, the 2016 Bonds shall not be in any way a debt or liability of the City of Philadelphia (the "City") or the Commonwealth of Pennsylvania (the "Commonwealth") or any other political subdivision of the Commonwealth and will not create or constitute any indebtedness, liability or obligation of the City or of the Commonwealth or of any other political subdivision thereof but shall be payable solely from the Trust Estate, as defined in the Indenture; and

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

1. Approval of Refunding Project and Plan of Financing. In accordance with the purpose and objectives of the Act, the Authority hereby ratifies and confirms its findings and determinations that the National Board is engaged in specialized activities, which contribute to economic growth and the creation of employment opportunities in the Commonwealth and in the City.

Based on the foregoing findings and determinations the Refunding Project as described in the preambles of this Resolution is hereby confirmed, and the plan of financing for the Refunding Project as described herein is hereby approved.

2. Authorization of the 2016 Bonds. In order to provide funds to pay the costs of the Refunding Project, the Authority is hereby authorized to issue its Revenue Refunding Bonds, Series of 2016 (National Board of Medical Examiners Project). The 2016 Bonds may be issued as fixed or variable bonds in a principal amount which in the aggregate does not exceed \$40,000,000 (not including original issue discount, if any). The 2016 Bonds are expected to be dated their date of delivery and shall mature no later than the date which is thirty (30) years after the date of issue of the 2016 Bonds. If issued on a fixed rate basis, the "true interest cost" of the 2016 Bonds shall not bear interest at a rate in excess of seven percent (7.00%) per annum. Alternatively, if issued on a variable rate basis, the maximum rate on the 2016 Bonds shall not exceed twelve percent (12.00%), and, if applicable, the synthetic fixed rate shall not exceed seven percent (7.00%) per annum.

The Authority hereby approves and authorizes the 2016 Bonds in such form as counsel to the Authority, and the officers of the Authority executing the same may approve, which approval shall be conclusively evidenced by the execution thereof.

The 2016 Bonds shall be special obligations of the Authority payable only out of the payments made by the National Board under the Loan Agreement and out of other moneys and properties held by the Trustee under the Indenture. The 2016 Bonds shall not be in any way a debt or liability of the Commonwealth, the City or of any other political subdivision thereof and shall not create or constitute any indebtedness, liability or obligation of the Commonwealth, the City or any other political subdivision, legal, moral or otherwise, nor shall the 2016 Bonds be payable out of any funds, revenues or properties of the Authority other than those pledged therefor.

Authorization of the 2016 Bonds is hereby made subject to the express condition that the National Board pay the fees and expenses of the Authority required to be paid at or

before delivery of the 2016 Bonds and that the Authority receive approval of the Refunding Project from the Secretary of Community and Economic Development of the Commonwealth to the extent so required.

3. Authorization of Loan Agreement. The Authority is hereby authorized to enter into the Loan Agreement with the National Board providing for the National Board to pay the Authority the purchase price in payments sufficient to meet the debt service payments on the 2016 Bonds. The Authority hereby approves and authorizes the Loan Agreement in such form as may be acceptable to counsel to the Authority, the officers of the Authority and bond counsel which approval by the Authority shall be conclusively evidenced by the execution thereof.

4. Authorization of Indenture and Ratification of Trustee. The 2016 Bonds shall be issued and shall be secured under the Indenture. The appointment of The Bank of New York Mellon Trust Company, N.A. as trustee under the Indenture and as paying agent, transfer agent and registrar for the 2016 Bonds is hereby ratified and confirmed. The Authority hereby approves and authorizes the Indenture in such form as may be acceptable to counsel to the Authority, the officers of the Authority and bond counsel which approval by the Authority shall be conclusively evidenced by the execution thereof.

5. Authorization of Escrow Agreement. The Authority is hereby authorized to enter into the Escrow Agreement with the National Board and the Escrow Agent, providing for the National Board to effect the redemption and payment, including payment of principal and interest, of the 2008A Bonds to and including May 1, 2018, the first optional date of redemption of the 2008A Bonds, all in accordance with the terms and provisions of the Escrow Agreement.

6. Authorization of Purchase Contract. The Authority is hereby authorized to enter into a Purchase Contract with the National Board and the Underwriter, providing for the purchase of the 2016 Bonds by the Underwriter at a price plus accrued interest, if any, and on such other terms as may be mutually agreed upon by all such parties pursuant to the Parameters set forth in Paragraph 2 hereof.

The Bonds shall be special obligations of the Authority and will be payable solely from the Trust Estate (as defined in the Indenture) held under the Indenture. There shall be no other recourse under the 2016 Bonds against the Authority or any other property now or hereinafter owned by it.

7. Approval of Official Statement. The Preliminary Official Statement shall set forth certain information relating to the Authority, the Refunding Project, the National Board, the 2016 Bonds and the plan of financing in such form as counsel to the Authority, counsel to the National Board, Underwriter's counsel and the officers of the Authority executing the same shall approve. The Authority hereby approves the distribution by the Underwriter of the Preliminary Official Statement (and any amendment or supplement thereto) to potential investors. The Authority hereby approves and authorizes the preparation of a final Official Statement (and any amendment or supplement thereto) and the distribution thereof by the Underwriter setting forth the final interest rates and other final terms of the 2016 Bonds, in such form as counsel to the Authority, bond counsel and the officers of the Authority executing the same may approve, which approval shall be conclusively evidenced by the execution thereof. The appropriate

officers and agents of the Authority are hereby directed to make the appropriate changes to the Preliminary Official Statement in order to produce the final Official Statement, to execute the final Official Statement and to deliver it to the Underwriter. The use and distribution of the final Official Statement by the Underwriter is hereby authorized. The Authority hereby approves and authorizes the preparation of the Preliminary Official Statement and the distribution thereof by the Underwriter, in such form as counsel to the Authority, bond counsel and the officers of the Authority executing the same may approve, which approval shall be conclusively evidenced by the execution thereof. The Authority hereby deems the Preliminary Official Statement as of its date to be "final" in accordance with Securities and Exchange Commission Rule 15c2-12.

8. Blue Sky. The officers of the Authority are authorized to execute such documents and take such other actions as may be necessary in order to comply with the blue sky laws of the various states as may be reasonably requested from time to time by the Underwriter.

9. Execution and Issuance of 2016 Bonds. The Chairman or Vice Chairman of the Authority is hereby authorized to execute the 2016 Bonds by manual or facsimile signature in substantially the form set forth in the Indenture; the Secretary or any Assistant Secretary of the Authority is hereby authorized to attest by manual or facsimile signature the seal of the Authority on the 2016 Bonds (which is hereby authorized to be impressed or imprinted on the 2016 Bonds); and following such execution, the officers of the Authority are hereby authorized to deliver or to cause to be delivered, the 2016 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 specified in the Purchase Contract herein authorized, and to deposit and disburse the amount so received as provided in the Indenture. Pending preparation of the 2016 Bonds in definitive form, the appropriate officers of the Authority are hereby authorized to execute and deliver a temporary 2016 Bond or Bonds against payment therefor of said purchase price by the Underwriter, the amount so received to be deposited and disbursed as aforesaid.

10. Defeasance of Prior Bond Documents. In connection with the Refunding Project, the Authority is authorized to execute all documents necessary to discharge the lien of the Prior Indenture, the Master Indenture and the Installment Sale Agreement.

11. Execution and Delivery of Documents. The Chairman or Vice Chairman 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 the Secretary or any Assistant Secretary is hereby authorized to affix to all of the following documents the seal of the Authority and to attest to the same:

- A. The 2016 Bonds;
- B. The Indenture;
- C. The Loan Agreement;
- D. The Escrow Agreement;

- E. The Official Statement;
- F. The Purchase Contract;
- G. Such other documents as are required by the Indenture and Purchase Contract; and
- H. Such other documents as the executing officers determine to be reasonable and appropriate to complete the financing for the Refunding Project as authorized by this Resolution.

Copies of the foregoing documents, together with the other documents relating to the transactions authorized hereby, in final form as executed and delivered by the parties thereto, shall be filed in the official records of the Authority.

12. Tax Covenants. The Authority hereby covenants not to take or omit to take any action so as to cause interest on the 2016 Bonds to be no longer excluded from gross income for the purposes of federal income taxation and to otherwise comply with the requirements of Section 103 and 141 through 150 of the Internal Revenue Code of 1986, as amended (the "Code"), and all applicable regulations promulgated with respect thereto, throughout the term of the 2016 Bonds. The Authority further covenants to comply with the rebate requirements contained in Section 148(f) of the Code and any regulations promulgated thereunder, to the extent applicable, and to pay any interest or penalty imposed by the United States for failure to comply with said rebate requirements, to the extent applicable.

13. Authorization of Vice Chairman and Assistant Secretary. For the purposes of expediting the closing and the issuance and delivery of the 2016 Bonds, or in the event that the Chairman or the Secretary of the Authority shall be absent or otherwise unavailable for the purpose of executing the Loan Agreement, the Indenture or the 2016 Bonds or other documents, or for the purpose of taking any other action which they or either of them may be authorized to take pursuant to this Resolution, the Vice Chairman and the Assistant Secretary of the Authority, respectively, are hereby authorized and directed to execute the Loan Agreement, the Escrow Agreement, the Indenture, the 2016 Bonds and other documents, and otherwise to act on behalf of the Authority in their stead.

14. 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 Indenture, the 2016 Bonds, the Loan Agreement, the Escrow Agreement, the Purchase Contract or other documents 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.

15. Annual Administrative Fee. The Authority may charge the National Board an origination fee and an annual administrative fee in connection with the 2016 Bonds to defray the administrative expenses incurred in connection with the 2016 Bonds and the Refunding Project. Any administrative fee shall be in an amount mutually agreed upon by the Authority and the National Board.

16. Further Action. Any member or officer of the Authority is hereby authorized and directed to execute and deliver the financing documents and 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.

17. Repeal of Inconsistent Resolutions. All prior resolutions of this Authority or portions thereof which are inconsistent with this Resolution are hereby repealed.

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

Adopted: July 12, 2016

CERTIFICATE

I certify that I am the Secretary of the Philadelphia Authority for Industrial Development and that the foregoing Resolution was adopted at a meeting of the Authority on the 12th day of July, 2016, after due and proper notice and at which a quorum was in attendance and that no other actions have been taken by the Authority altering, amending or revoking said Resolution.

WITNESS my hand and seal of the Authority this \_\_\_\_\_ day of \_\_\_\_\_, 2016.

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Secretary