

RESOLUTION NO. 15

HARRISBURG REDEVELOPMENT AUTHORITY

Adopted November 8, 2016

A RESOLUTION OF THE REDEVELOPMENT AUTHORITY OF THE CITY OF HARRISBURG, APPROVING A REFUNDING PLAN IN CONNECTION WITH THE ISSUANCE OF CERTIFICATES OF PARTICIPATION, SERIES OF 2016, IN RETAINED BASIC LEASE PAYMENTS OF THE COMMONWEALTH OF PENNSYLVANIA; AUTHORIZING EXECUTION AND DELIVERY OF AMENDMENTS TO THE SO1 LEASE AND THE SO2 LEASE, THE SO1 MASTER LEASE AND THE SO2 MASTER LEASE, AND SUCH OTHER DOCUMENTS AS SHALL BE NECESSARY TO EFFECTUATE THE REFUNDING PLAN; AUTHORIZING AND DIRECTING THE REDEMPTION OF THE AUTHORITY'S OUTSTANDING GUARANTEED REVENUE BONDS, SERIES B OF 1998; AUTHORIZING AND DIRECTING THE TERMINATION OF INVESTMENT AGREEMENT WITH BANK OF AMERICA, N.A. RELATING TO THE BONDS; AND AUTHORIZING OTHER NECESSARY ACTION

WHEREAS, the Redevelopment Authority of the City of Harrisburg (the "Authority") is a body corporate and politic of the Commonwealth of Pennsylvania created by resolution of the Council of the City of Harrisburg, Dauphin County, Pennsylvania (the "City"), under provisions of the Urban Redevelopment Law of the Commonwealth of Pennsylvania, approved May 24, 1945, PL. 991, as amended (the "Act"), for the purpose of, among other things, eliminating or preventing the spread of blighted conditions in the City; and

WHEREAS, the Authority issued on December 30, 1998, its Guaranteed Revenue Bonds, Series B of 1998 in the original principal amount of \$16,716,758.20 (the "Series 1998B Bonds"), pursuant to an Indenture of Trust dated as of December 1, 1998 (the "Indenture") between the Authority and Fulton Bank, National Association, as Trustee (the "Bond Trustee"), to finance the Authority's acquisition right, title and interest of the City of Harrisburg (the "City") in and to Strawberry Square and 333 Market (as those terms are defined in the Service Agreement, hereinafter defined), including the real estate underlying State Office Building No. 1 and State Office Building No. 2 (hereafter defined), including the ownership rights in State Office Building No. 1 and State Office Building No. 2 arising thereunder; and

WHEREAS, pursuant to that certain Lease Agreement for SO1 Tower, Strawberry Square, Harrisburg, Pennsylvania, dated January 30, 2015 and effective March 1, 2016 (as the same may be amended, supplemented, modified, extended, substituted or restated from time to time, the "SO1 Master Lease"), by and between the Authority, as Landlord, and Harristown Development Corporation ("HDC"), as Tenant, the Authority leases to HDC the Leased Premises described therein comprised of State Office Building No. 1 as subjected to the condominium form of ownership pursuant to the Declaration of Condominium of Strawberry Square Condominium and more specifically described as condominium units in the SO1 Master Lease; and

WHEREAS, pursuant to that certain Lease Agreement for SO2 Tower, 333 Market Street, Harrisburg, Pennsylvania, dated January 30, 2015 and effective March 1, 2016 (as the same may be amended, supplemented, modified, extended, substituted or restated from time to time the "SO2 Master Lease"), by and between the Authority, as Landlord, and HDC, as Tenant, the Authority leases to HDC the Leased Premises described therein, comprised of State Office Building No. 2 as subjected to the condominium form of ownership pursuant to the Declaration of Condominium of 333 Market Street Condominium, as amended, and more specifically described as condominium units in the SO2 Master Lease; and

WHEREAS, the Authority, HDC and the Commonwealth of Pennsylvania, acting through its Department of General Services (the "Commonwealth") are parties (collectively, the "Lease Parties") to that certain Lease for State Office Building No. 1 made as of October 14, 1975, as amended and supplemented, including by the 2016 Amendment to SO1 Lease, hereinafter defined (as so amended and supplemented, the "SO1 Lease"), pursuant to which HDC leases to the Commonwealth the State Demised Premises (as defined in the SO1 Lease) located in State Office Building No. 1 (as defined in the SO1 Lease); and

WHEREAS, the Lease Parties are also parties to that certain Lease for State Office Building No. 2 made as of October 14, 1975, as amended and supplemented, including by the 2016 Amendment to SO2 Lease, hereinafter defined (as so amended and supplemented, the "SO2 Lease" and, together with the SO2 Lease, the "Lease Agreements"), pursuant to which HDC leases to the Commonwealth the State Demised Premises (as defined in the SO2 Lease) located in State Office Building No. 2 (as defined in the SO2 Lease); and

WHEREAS, the Lease Parties entered into the Lease Agreements in accordance with that certain Agreement to Convey, Lease, Service Agreement and Redevelopment Contract dated as of October 14, 1975, as amended and supplemented (the "Service Agreement"), among the City, the Authority and HDC in connection with the development of the Harristown Project; and

WHEREAS, the Authority, the Commonwealth and HDC all desire to take advantage of the current low interest rate environment to refinance the Commonwealth's lease payments under the Lease Agreements for savings, and to reimburse to the Commonwealth and HDC certain amounts previously expended from a maintenance and repair account to fund an energy retrofit and upgrade capital project at or benefitting the State Demises Premises, the Authority, the Commonwealth and HDC have determined to refinance the Series 1998B Bonds with proceeds of the issuance, pursuant to the Escrow Agreement (the "Escrow Agreement") between HDC and U.S. Bank National Association, as Escrow Agent (the "Escrow Agent"), and sale of Certificates of Participation, Series of 2016 (the "2016 Certificates"), evidencing a specified interest in the principal component and interest component of the Retained Basic Lease Payments under and as defined in the Lease Agreements payable by the Commonwealth and assigned to the Escrow Agent; and

WHEREAS, the proceeds of the 2016 Certificates will be used to (i) refund the Series 1998B Bonds (the "Refunding Plan"), (ii) restore the Strawberry Square and 333 Market reserves for amounts previously therefrom expended on energy retrofit and upgrade efficiency capital projects as described and contemplated by the Strawberry Square/333 Market Modernization Cooperation Agreement dated January 15, 2015 between the Commonwealth and HDC, and (iii) pay costs of issuance of the 2016 Certificates (including the Refunding Plan, the "2016 Project"); and

WHEREAS, HDC, the Authority and the Commonwealth will provide for the payment for the 2016 Certificates by: (a) establishing a trust pursuant to the Escrow Agreement and assigning to the Escrow Agent all of HDC's right, title and interest in and to the SO1 Master Lease, the SO2 Master Lease, the SO1 Lease, the SO2 Lease and all benefits and profits therefrom, including the Retained Basic Lease

Payments, but excluding Operating Payments and other Unassigned Rights as more particularly defined in the Lease Agreements; and (b) directing the Escrow Agent to issue and deliver the 2016 Certificates therein provided for, payable from the Retained Basic Lease Payments and other Assigned Lease payments, but excluding Operating Payments and other Unassigned Rights, under both the SO1 Lease and the SO2 Lease to be received from the Commonwealth, acting through the Department of General Services, and assigned to the Escrow Agent, each of which Retained Basic Lease Payments shall be comprised of an interest component and a principal component as designated and quantified in the Escrow Agreement.

WHEREAS, in connection with the issuance of the 2016 Certificates: (i) the Commonwealth, HDC and the Authority will execute and deliver (a) a 2016 Amendment to the SO1 Lease (the "2016 SO1 Lease Amendment"), further amending and supplementing the SO1 Lease, and (b) a 2016 Amendment to the SO2 Lease (the "2016 SO2 Lease Amendment"), further amending and supplementing the SO2 Lease; and (ii) the Authority and HDC will execute and deliver (y) a First Amendment to Lease Agreement for: SO1 Tower, Strawberry Square (the "2016 SO1 Master Lease Amendment"), further amending and supplementing the SO1 Master Lease, and (z) a First Amendment to Lease Agreement for: SO2 Tower, 333 Market Street (the "2016 SO2 Master Lease Amendment"), further amending and supplementing the SO2 Master Lease; and

WHEREAS, the Authority desires to authorize and direct the officers, members of the Board of the Authority to take all actions necessary to call the Series 1998B Bonds for optional redemption on the earliest possible redemption date following the closing on the 2016 Certificates and the receipt of the necessary proceeds, together with funds available, if any, from the Debt Service Reserve Fund for the Series 1998B Bonds, to redeem the Series 1998B Bonds on such redemption date in accordance with the provisions of the Indenture; and

WHEREAS, in connection with the refunding of the Series 1998B Bonds, the Authority desires to terminate the Investment Agreement dated as of December 30, 1998 (the "Investment Agreement") between the Authority and Bank of America, N.A., with respect to the investment of amounts on deposit in the Debt Service Reserve Fund for the Series 1998B Bonds, pursuant to a Termination Agreement (the "Termination Agreement") between the Authority and Bank of America, N.A.; and

WHEREAS, in connection with the refunding of the Series 1998B Bonds, the Authority desires to execute and deliver (i) a Release of Consent and Assignment – SO1 among the Authority, the Bond Trustee, Assured Guaranty Municipal Corp. ("AGM") and HDC, terminating of record that Consent and Assignment – SO1 Lease among the Bond Trustee, AGM, the Authority and HDC recorded in the Office of the Reorder of Deeds as Instrument No. 20150002455, and (ii) a Release of Consent and Assignment – SO2 among the Authority, the Bond Trustee, AGM and HDC, terminating of record that Consent and Assignment – SO2 Lease among the Bond Trustee, AGM, the Authority and HDC recorded in the Office of the Recorder of Deeds as Instrument No. 20150002456 (collectively, the "2016 Releases"); and

WHEREAS, the Authority desires to approve the 2016 Project, including the redemption of the Series 1998B Bonds, and desires to authorize and approve the execution and delivery by the Authority of the 2016 SO1 Lease Amendment, the 2016 SO2 Lease Amendment, the 2016 SO1 Master Lease Amendment, 2016 SO2 Master Lease Amendment, the Termination Agreement, the 2016 Releases and such other documents, instruments and certificates as it deems necessary or appropriate to effectuate the purpose of this Resolution (collectively, the "Authority Documents").

NOW, THEREFORE, BE IT RESOLVED by the Redevelopment Authority of the City of

Harrisburg as follows:

1. Approval of 2016 Project. The Authority hereby authorizes and approves the 2016 Project, including the optional redemption of the Series 1998B Bonds on the next practical optional redemption date, all as described in the preambles of this Resolution.
2. Authorization and Approval of Authority Documents. The Authority is hereby authorized to enter into the Authority Documents. The Authority hereby approves the Authority Documents in such forms as shall be acceptable to and approved by the authorized officer or officers of the Authority executing any such Authority Documents, with the advice of Counsel to the Authority; and such approval shall be conclusively evidenced by the execution thereof in accordance with Paragraph 5 hereof.
3. Authorizing Redemption of Series 1998B Bonds.
 - (a) The payment and defeasance of the Series 1998B Bonds through the optional redemption thereof on the earliest practicable date pursuant to the Indenture, is hereby directed, ratified, confirmed and approved.
 - (b) The Chair or Vice Chair or any other member of the Board of Authority hereby are, authorized and empowered, with the advice of Counsel to the Authority, to negotiate, execute and deliver such further instruments and documents, as may be necessary or desirable to consummate the transactions contemplated thereby, in the name and on behalf of the Authority, including all necessary directions and notices to the Bond Trustee for the optional redemption of the Series 1998B Bonds on the earliest practicable date, including those necessary for the transmission of the necessary Notices of Redemption, which Notices shall be conditioned upon the deposit of the necessary redemptions funds with the Bond Trustee if transmitted prior to the deposit of such funds, and to incur and pay all such fees and expenses as in their judgment shall be necessary, proper and advisable in connection therewith.
 - (c) The payment or defeasance of the Series 1998B Bonds through the optional redemption thereof on the earliest practicable date as authorized by this Resolution is contingent and conditioned upon the occurrence of, and shall take place concurrent with (or as soon thereafter as practicable), the closing on the 2016 Certificates and the receipt by the Authority of the amount of such proceeds, together with amounts available in the Debt Service Reserve Fund for the Series 1998B Bonds, if any, is sufficient to redeem the Series 1998B Bonds on the earliest practical redemption date.
 - (d) In connection with the refunding of the Series 1998B Bonds, the Authority shall direct the Bond Trustee to apply any amounts in the Debt Service Reserve Fund for the 1998B Bonds to the optional redemption of the Series 1998B Bonds on the earliest practicable Redemption Date.
4. Authorizing Termination of Investment Agreement. The termination of the Investment Agreement as required to facilitate the 2016 Project is hereby authorized and directed. The Chair or Vice Chair or any other member of the Board of the Authority, or the Executive Director of the Authority is hereby authorized and directed, with the advice of Counsel to the Authority, to cause to be delivered to Bank of America, N.A. any notice of such termination required by the Investment Agreement, and any such actions undertaken prior to the adoption of this Resolution are hereby directed, ratified, confirmed and approved. The Authority is hereby authorized to enter into the Termination Agreement as set forth in Section 2 hereof.
5. Execution and Delivery of Authority Documents. The Chair or Vice Chair or any other member of the Board of Authority is hereby authorized to execute and deliver, in the name of the

Authority and on its behalf, the Authority Documents, and to approve the final forms and substance thereof pursuant to Section 2 hereof, and any amendments or supplements thereto after the initial execution and delivery thereof, such approvals to be conclusively evidenced by execution thereof, and the Secretary or any Assistant Secretary or any other member of the Board of Authority is hereby authorized to affix to all such documents the seal of the Authority and to attest to the same. Copies of the Authority 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.

6. 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 members of Authority nor any officer executing the documents authorized by this Resolution shall be liable personally hereunder or be subject to any personal liability or accountability by reason of the execution and delivery thereof.

7. Further Action. Any member of the Authority and the Executive Director 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 issuance of the 2016 Certificates, the 2016 Project, including the optional redemption of the Series 1998B Bonds, and the intent and purposes of this Resolution or any document herein authorized.

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

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

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Attest:

REDEVELOPMENT AUTHORITY OF THE
CITY OF HARRISBURG

(Seal)

By:  _____

Crystal Baxter Secretary

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