

ANIZDA Board Meeting Minutes
December 5, 2018
America On Wheels
2nd Floor Hubcap Cafe
5 North Front Street, Allentown, PA

Attendees: Seymour Traub, Esq., Oldrich Foucek III, Esq., John Williams, Esq., Pedro Torres, Gregory Dudkin, Tiffany Polek and Nelson Diaz

Board Staff: Jerome Frank (Solicitor), Steve Bamford (Executive Director), and Michelle Reid (Executive Assistant)

Presenters: Jane Heft VP Director of Project Design for City Center Investment Corporation, Robert DiLorenzo Project Manager for City Center Investment Corporation, Tom Williams Operations Manager in Community and Economic Development for the City of Allentown.

Members of the media and public were present.

1. Call to Order

The meeting was called to order by Sy Traub, Chairperson, at 5:00 p.m. A quorum was met and the meeting proceeded accordingly.

2. Approval of November 7, 2018 Meeting Minutes

A motion to approve the November 7th meeting minutes was made by G. Dudkin, seconded by O. Foucek and unanimously approved.

3. Public Comment on all Matters to be Acted Upon—Members of the public were present but comments were deferred until matters were to be acted upon. Members of the media were present

4. Arts Walk Hamilton Street Connection Public Improvement Project Increase in Funding- Resolution R2018-172

- a. Tom Williams from the City of Allentown and Jane Heft and Robert DiLorenzo from City Center Investment Corporation presented an update on the Artswalk Hamilton Street Connection, a Project proposed under and meeting the criteria of the Project Plan for Public Improvement Investments and previously approved by the ANIZDA Board for funding of public improvements on City of Allentown property at an estimated cost not to exceed \$1,210,000. The presenters explained how the scope and design has been refined since the project was originally approved and requested approval of an estimated cost not to exceed \$1,414,000.00.

- b. After opportunities for comment from the public present, a motion to approve Resolution R2018-172 was made by G. Dudkin, seconded by J. Williams and was unanimously approved.

5. Transfer of Surplus Funds to Excess NIZ Revenue Account-Resolution R2018-173

- a. In accordance with the terms of the Agreement with the Pennsylvania Department of Revenue, ANIZDA has determined that there is Excess NIZ Revenue for 2017 in the sum of \$8,264,587.47 held by the Master Trustee in the Surplus Fund under the Master Trust over and above the Preliminary Annual Excess NIZ Revenue which was distributed to the Commonwealth. The Authority is required to direct the transfer of these funds to the Commonwealth of Pennsylvania and City of Allentown.
- b. After opportunities for comment from the public present, a motion to approve Resolution R2018-173 was made by O. Foucek, seconded by G. Dudkin and was unanimously approved.

6. Third Quarter Statement of Operational Revenues and Expenses

- a. S. Bamford reviewed the third quarter financial statement prepared on a cash basis for unrestricted operating accounts through September. Total income through three quarters is \$1,345,546. Total operating expenses through three quarters is \$642,269. The result is net income of \$703,277 which is approximately \$42,000 under budget.

7. Estimated Operating Budget for 2019-Resolution R2018-174

- a. S. Bamford presented the 2019 Estimated Operating Budget Projections for board approval. Total estimated revenues of \$1,343,868 are projected to be available to fund 2019 operations from arena rent payments and developer fees. Annual expenses are estimated at \$1,194,400.
- b. After opportunities for comment from the public present, a motion to approve Resolution R2018-174 was made by P. Torres, seconded by O. Foucek and was unanimously approved.

8. Extension of Maturity Date of Credit Facility with Peoples Security Bank and Trust-Resolution R2018-175

- a. The board previously directed S. Bamford to seek an extension of the maturity date of the credit facility established with People's Security Bank & Trust to fund various public improvement investments approved or to be approved by the Authority. The resolution authorizes the Executive Director to take action, with advice of counsel, to extend the maturity date to May 2022.
- b. After opportunities for comment from the public present, a motion to approve Resolution R2018-175 was made by G. Dudkin and seconded by N. Diaz and was unanimously approved.

9. Capital Projects Account Budget for 2019-Resolution R2018-176

- a. S. Bamford presented the Capital Projects Account Budget for 2019. The preliminary budget totals \$4,980,000 and is to be used for public improvement projects.
- b. After opportunities for comment from the public present, a motion to approve Resolution R2018-176 was made by J. Williams and seconded by P. Torres and was unanimously approved.

10. Board Meeting Dates for 2019-Resolution R2018-177

- a. The 2019 ANIZDA Board of Directors meetings schedule was presented for approval. Meetings will be held at 5:00 pm on the first Wednesday of each month, with the exception of the July meeting to be held on July 10 due to the holiday. Meetings will be held at America on Wheels with the exception of the January 2nd meeting to be held at the Allentown Art Museum.
- b. After opportunities for comment from the public present, a motion to approve resolution R2018-177 was made by G. Dudkin and seconded by O. Foucek and was unanimously approved.

11. Sacred Heart Hospital Consent-Resolution R2018-178

- a. Sacred Heart HealthCare System, Sacred Heart Hospital of Allentown, and Sacred Heart Realty Corporation are parties to a Funding Agreement with ANIZDA. St. Luke's University Health Network became the sole corporate member of Sacred Heart Hospital and Sacred Heart Hospital became the sole corporate member of Sacred Heart Realty Corporation. St. Luke's University Health Network and Sacred Heart Hospital have requested ANIZDA's consent to the merger of Sacred Heart Realty Corporation (SHRC) into Sacred Heart Hospital and the dissolution of SHRC.
- b. After opportunities for comment from the public present, a motion to approve Resolution R2018-178 was made by P. Torres, seconded by J. Williams and was approved with S. Traub abstaining.

12. Executive Director Reappointment and Bonus for 2019-Resolution R2018-179

- a. S. Traub reviewed the activity and accomplishments of the Executive Director over the last six months. After opportunities for comment from the public present, a motion to approve Resolution R2018-179 extending his engagement for 2019 and approving a performance-based bonus was made by J. Williams, seconded by G. Dudkin and was unanimously approved.

13. Executive Director Report

- a. S. Bamford reported that he is on the Steering Committee for the City Comprehensive and Economic Development Plan called Allentown Vision 2030. The plan will contain community goals and aspirations for the next 10 years. He summarized the broad range of issues to be addressed in the plan.

A motion to adjourn the meeting was made, seconded and approved.

Next ANIZDA Board Meeting: Wednesday, January 2, 2019 at 5:00 PM at the Allentown Art Museum 31 N. Fifth Street, Allentown PA 18101.

Respectfully Submitted,



Pedro Torres

Secretary

**ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY**

RESOLUTION NO. R-2018-172

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") is a public instrumentality of the Commonwealth of Pennsylvania and a body politic and corporate, and is authorized and empowered by the provisions of the Economic Development Financing Law of the Commonwealth of Pennsylvania, 73 P.S. 371 *et seq.*, as amended (the "Act") as an industrial development authority to acquire, hold, construct, improve, maintain, own, finance and lease projects and, among other things, to make loans to project applicants or project users and to provide alternative types of financing, including, but not limited to, standby loan commitments, guarantees, letters of credit and grants; and

WHEREAS, Article XIX-B of Pennsylvania's Fiscal Code, 72 P.S. Section 8901-B *et seq.* (the "NIZ Act") authorizes a contracting authority such as the Authority to create a Neighborhood Improvement Zone (defined below); and

WHEREAS, the City of Allentown, Lehigh County, Pennsylvania (the "City") qualifies as a "city" under the NIZ Act; and

WHEREAS, pursuant to a resolution adopted by the Authority on August 30, 2012, the Authority designated a neighborhood improvement zone within the City (the "NIZ"); and

WHEREAS, the Authority has found that the development of the aforesaid NIZ will promote the public purposes of both the Act and the NIZ Act and be in the best interest of the people of the City; and

WHEREAS, the Authority has the power to finance projects for development and improvement within the NIZ in accordance with the Act and the NIZ Act; and

WHEREAS the Authority anticipates that excess NIZ Tax Revenues will be generated from within the NIZ over and above the amount required for debt service on the 2012 Arena Bonds and the amount contractually committed to the Commonwealth of Pennsylvania; and

WHEREAS the Authority has established guidelines to utilize a portion of the excess NIZ Tax Revenues for public development and improvements within the NIZ, and

WHEREAS the Authority has entered into a Credit Facility to access funds to finance approved public development and improvement projects in accordance with the NIZ Act and the guidelines,

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

- A. 1. With regard to the Artswalk Hamilton Street Connection (“the Project”), a Project proposed under and meeting the criteria of the Project Plan for Public Improvement Investments and approved by the Authority in Resolution R2018-148 for public improvements on City of Allentown property commencing at 615 W. Hamilton Street and proceeding north to Court Street to enhance and preserve the gateway to the Arts District by integrating seating and plantings, improving the pathway, and straightening stairs for pedestrians going to and from Hamilton Street and the Allentown Art Museum initially estimated not to exceed a cost of \$1,210,000.00, the Authority hereby approves an increase in the estimated cost to not exceed \$1,414,000.00.
- B. The Whereas clauses above are incorporated as part of this Resolution and the Project.
- C. The Chairperson or Vice Chairperson, Executive Director and the Secretary or any Assistant Secretary of the Authority are hereby authorized and directed to execute and attest, where deemed necessary, respectively, any related agreement and documents, and other documents to amend or correct any documents, and to take any and all such actions necessary, in the opinion of the Executive Director with the advice of counsel, to implement fulfillment of the purposes of this Resolution and to consummate the transactions contemplated herein.
- D. All actions previously taken in furtherance of the purposes of this Resolution are hereby ratified. The officers of the Authority are hereby authorized to take such further actions to carry out the purposes of this Resolution.
- F. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.


END OF RESOLUTION

CERTIFICATION

I, Pedro L Torres, Jr., Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-172 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 5th day of December, 2018. Authority members present and voting were as follows:

<u>Vote</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.	✓		
Nelson A. Diaz	✓		
Gregory N. Dudkin	✓		
Oldrich Foucek, III, Esq.	✓		
David Mickenberg	<i>absent</i>		
Tiffany Polek	✓		
John Stanley, Esq.	<i>absent</i>		
Pedro L. Torres, Jr.	✓		
John Williams, Jr., Esq.	✓		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 5th day of December, 2018.


Secretary

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION NO. R-2018-173

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") duly adopted Resolution No. R-2016-89 on February 3, 2016 authorizing entry into an "Agreement" with the Commonwealth of Pennsylvania acting through its Department of Revenue ("DOR") and through its Office of the Budget providing for distribution of the Preliminary and Year End Amount Excess NIZ Revenue, to DOR among other things; and

WHEREAS the Agreement was executed by all parties and is effective as of January 31, 2016; and

WHEREAS, for the calendar year 2017, the Authority adopted Resolution R2018-153 authorizing distribution of the Preliminary Annual Excess NIZ Revenue to the Commonwealth of Pennsylvania; and

WHEREAS, the Authority by this Resolution desires to take further action in accordance with the terms of said Agreement and the Master Trust Indenture dated as of September 15, 2012 ("Master Trust") between the Authority and Bank of New York-Mellon Trust Company N.A. ("Master Trustee"),

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


1. That the WHEREAS clauses set forth above are hereby incorporated herein.
2. That in the Surplus Fund held by the Master Trustee under the Master Trust there is Excess NIZ Revenue for 2017 remaining for distribution over and above the Preliminary Annual Excess NIZ Revenue distributed to the Commonwealth under the Agreement in accordance with Resolution R2018-153.
3. That the Authority hereby authorizes transfer from the Surplus Fund to the Excess NIZ Revenue Account an amount equal to the balance in the Surplus Fund after payment of the sum paid for debt service for the year 2018 on the Master Indenture Obligations and retention in the Surplus Fund of the amount required to maintain the Surplus Fund Reserve Requirement.
4. That, in accordance with the terms of the Agreement, the Authority hereby authorizes payment of the Pro Rata share of the Year End Annual Excess NIZ Revenue Payment to the Commonwealth of Pennsylvania, from the Excess NIZ Revenue Account in accordance with Section 5.5(a) of the Master Trust Indenture, and to the local governmental entities that collected local taxes included in the NIZ Revenues, as set forth in the Officer's Certificate and Transfer Payment ("Certificate") attached hereto.
5. The Chairperson or Vice Chairperson of the Authority is hereby authorized to execute the Certificate and to deliver said Certificate to the Master Trustee and DOR.
6. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after the date of its adoption.

CERTIFICATION

I, Pedro L. Torres, Jr., Secretary of the Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-173 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 5th day of December, 2018. Authority members present and voting were as follows:

	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.	✓		
Nelson A. Diaz	✓		
Gregory N. Dudkin	✓		
Oldrich Foucek, III, Esq.	✓		
David Mickenberg	<i>absent</i>		
Tiffany Polek	✓		
John Stanley, Esq.	<i>absent</i>		
Pedro L. Torres, Jr.	✓		
John Williams, Jr., Esq.	✓		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 5th day of December, 2018.


Secretary

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION R-2018-174

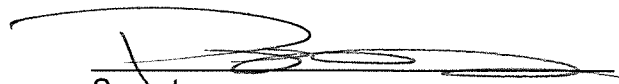
BE IT RESOLVED, that the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") hereby accepts the recommendation of the Finance Committee and approves the Estimated Operating Budget Projections for 2019 set forth on the attachment hereto.

CERTIFICATION

I, Pedro L Torres, Jr., Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-174 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 5th day of December, 2018. Authority members present and voting were as follows:

<u>Vote</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.	✓		
Nelson A. Diaz	✓		
Gregory N. Dudkin	✓		
Oldrich Foucek, III, Esq.	✓		
David Mickenberg	<i>absent</i>		
Tiffany Polek	✓		
John Stanley, Esq.	<i>absent</i>		
Pedro L. Torres, Jr.	✓		
John Williams, Jr., Esq.	✓		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 5th day of December, 2018.


Secretary

**Allentown Neighborhood Improvement Zone Development Authority
 Estimated Operating Budget Projections (Cash Basis)
 Fiscal Year Ending December 31, 2019**

	YEAR 2019
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ESTIMATED REVENUE (CASH RECEIVED)

Arena Rent	750,000
Developer Fees	593,868

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TOTAL ESTIMATED REVENUE	1,343,868
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ESTIMATED CASH EXPENDITURES

Staff Salary and Benefits	244,125
Rent and Utilities	22,974
Office Set up and Fit-out	-
ANIZDA Legal Fees	155,000
Compliance Officer/Allocation Agent	210,000
Trustee & Escrow Agent Fees	12,000
Insurance	32,075
Project Development Contingency	100,000
Annual Audit	40,000
Marketing	150,000
Planning	100,000
Accounting	61,304
Miscellaneous	66,922

TOTAL ESTIMATE CASH EXPENDITURES	1,194,400
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CASH RECEIVED LESS CASH EXPENDITURES	149,467
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**ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY**

RESOLUTION NO. R-2018-175

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") is a public instrumentality of the Commonwealth of Pennsylvania and a body politic and corporate, and is authorized and empowered by the provisions of the Economic Development Financing Law of the Commonwealth of Pennsylvania, 73 P.S. 371 *et seq.*, as amended (the "Act") as an industrial development authority to acquire, hold, construct, improve, maintain, own, finance and lease projects and, among other things, to make loans to project applicants or project users and to provide alternative types of financing, including, but not limited to, standby loan commitments, guarantees, letters of credit and grants; and

WHEREAS, Article XIX-B of Pennsylvania's Fiscal Code, 72 P.S. Section 8901-B *et seq.* (the "NIZ Act") authorizes a contracting authority such as the Authority to create a Neighborhood Improvement Zone (defined below); and

WHEREAS, the City of Allentown, Lehigh County, Pennsylvania (the "City") qualifies as a "city" under the NIZ Act; and

WHEREAS, pursuant to a resolution adopted by the Authority on August 30, 2012, the Authority designated a neighborhood improvement zone within the City (the "NIZ"); and

WHEREAS, the Authority has found that the development of the aforesaid NIZ will promote the public purposes of both the Act and the NIZ Act and be in the best interest of the people of the City; and

WHEREAS, the Authority has the power to finance a project for development and improvement within the NIZ in accordance with the Act and the NIZ Act; and

WHEREAS the Authority anticipates that excess NIZ Tax Revenues will be generated from within the NIZ over and above the amounts needed for debt service on the 2012 Arena Bonds and the amount that is contractually committed to the Commonwealth of Pennsylvania; and

WHEREAS the Authority has established guidelines to utilize a portion of the excess NIZ Tax Revenues for public development and improvement within the NIZ; and

WHEREAS the Authority has entered into a credit facility to access funds to finance public development and improvements in accordance with the NIZ Act and the guidelines,

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

1. In order to fulfill the various Project Plans for Public Improvement Investments as approved to date and hereafter, the Authority hereby authorizes negotiation and completion of an extension of the Maturity Date to May 2022 of the credit facility (the "Credit Facility") with Peoples Security Bank & Trust (the "Bank"), dated December 29, 2017 to finance the public development and improvements approved by the Authority located in the NIZ in accordance with the Project Plan for Public Improvement Investments guidelines, and certain costs incidental thereto, with the debt service to be paid with NIZ Tax Revenues over and above that which is required for debt service on the 2012 Arena Bonds and the amount contractually committed to the Commonwealth of Pennsylvania; and
2. The Credit Facility shall remain as a private placement in an amount not to exceed \$10,000,000.00 and may have such other terms and conditions consistent with the Act, the NIZ Act and the terms and conditions in the Credit Facility currently in place; and
3. The Authority hereby authorizes the Executive Director of the Authority to act on behalf of the Authority with regard to fulfilling the Authority's obligations and rights hereunder, to negotiate and execute the extension with the Bank, and to take any and all such actions necessary in the opinion of the Executive Director, with advice of counsel, to implement the Credit Facility and consummate the transactions contemplated herein; and
4. The Credit Facility shall be extended pursuant to loan documents, indentures or other agreements relating to the terms of the Credit Facility between the Authority and the Bank setting forth provisions and/or other customary lending provisions acceptable to the Authority (collectively, the "Loan Agreement"); and
5. The Authority hereby authorizes the acceptance, execution and delivery of all related loan documents;
6. The Whereas clauses above are incorporated as part of this Resolution and the extension to the Credit Facility is hereby approved.
7. The Chairperson or Vice Chairperson, Executive Director and the Secretary or any Assistant Secretary of the Authority are hereby authorized and directed to execute and attest, where deemed necessary,

respectively, any related agreement and documents, and other documents to amend or correct any documents, and to take any and all such actions necessary, in the opinion of the Executive Director with the advice of counsel, to implement fulfillment of the purposes of this Resolution and to consummate the transactions contemplated herein.

8. All actions previously taken in furtherance of the purposes of this Resolution are hereby ratified. The officers of the Authority are hereby authorized to take such further actions to carry out the purposes of this Resolution.
- 9.. All resolutions and orders, or parts thereof, in conflict with the provisions of this Resolution, are, to the extent of such conflict, hereby repealed and this Resolution shall be in immediate effect from and after its adoption.


END OF RESOLUTION

CERTIFICATION

I, Pedro L Torres, Jr., Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-175 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 5th day of December, 2018. Authority members present and voting were as follows:

<u>Vote</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.	✓		
Nelson A. Diaz	✓		
Gregory N. Dudkin	✓		
Oldrich Foucek, III, Esq.	✓		
David Mickenberg	<i>Absent</i>		
Tiffany Polek	✓		
John Stanley, Esq.	<i>Absent</i>		
Pedro L. Torres, Jr.	✓		
John Williams, Jr., Esq.	✓		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 5th day of December, 2018.


Secretary

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION R-2018-176

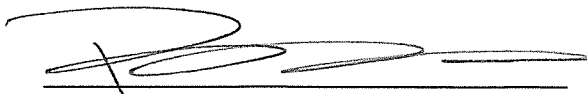
BE IT RESOLVED, that the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") hereby approves the Capital Projects Account Budget for 2019 set forth on the attachment hereto and authorizes the Chairperson to forward the Budget to the Bank of New York Trust Company, N.A., Master Trustee.

CERTIFICATION

I, Pedro L Torres, Jr., Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-176 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 5th day of December, 2018. Authority members present and voting were as follows:

<u>Vote</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.	✓		
Nelson A. Diaz	✓		
Gregory N. Dudkin	✓		
Oldrich Foucek, III, Esq.	✓		
David Mickenberg	<i>absent</i>		
Tiffany Polek	✓		
John Stanley, Esq.	<i>absent</i>		
Pedro L. Torres, Jr.	✓		
John Williams, Jr., Esq.	✓		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 5th day of December, 2018.


Secretary

Preliminary Capital Additions Budget

2019

Sources of Revenue:

On Deposit	\$1,900,000
Draw on Indebtedness	3,080,000
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	\$4,980,000

Estimated Expenses to be determined as costs are identified specifically:

Street and Sidewalk improvements	
Public space, park areas and public art	
Lighting improvements	
Aesthetic improvements	
NIZ infrastructure improvements	<hr/>
	\$ 4,980,000

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION R-2018-177

BE IT RESOLVED, that the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") hereby approves holding the Authority monthly public meeting at 5:00 pm in the America on Wheels Museum at 5 N Front Street, Allentown, Pennsylvania for the calendar year 2019 on the dates set forth on the attachment hereto.

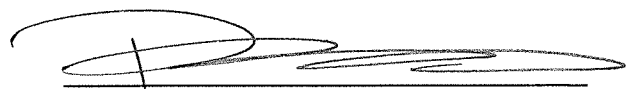
BE IT FURTHER RESOLVED that the dates shall be publicly advertised as required by law.

CERTIFICATION

I, Pedro L. Torres, Jr., Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-177 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 5th day of December, 2018. Authority members present and voting were as follows:

<u>Vote</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.	✓		
Nelson A. Diaz	✓		
Gregory N. Dudkin	✓		
Oldrich Foucek, III, Esq.	✓		
David Mickenberg	<i>absent</i>		
Tiffany Polek	✓		
John Stanley, Esq.	<i>absent</i>		
Pedro L. Torres, Jr.	✓		
John Williams, Jr., Esq.	✓		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 5th day of December, 2018.


Secretary

PUBLIC NOTICE

Allentown Neighborhood Improvement Zone Development Authority (ANIZDA)
2019 Board Meeting Schedule

The regular public meetings of the Allentown Neighborhood Improvement Zone Development Authority (ANIZDA) for the calendar year 2019, will be held in the America on Wheels Museum located at 5 N. Front Street, Allentown, Pennsylvania, at 5:00 P.M.

Dates are: January 2, February 6, March 6, April 3, May 1, June 5, July 10, August 7, September 4, October 2, November 6, December 4.

**ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY**

RESOLUTION NO. R-2018-178

WHEREAS, the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") by Resolution R2018-151 approved a request from the Sacred Heart HealthCare System, Sacred Heart Hospital ("SHH") and SH Realty Corporation ("SHRC") (together the "Sacred Heart Group"), all parties to that certain Funding Agreement, Sacred Heart, dated July 29, 2014, and ratified its consent to the change in their ownership and control through an affiliation with St Luke's Health Network, d/b/a St. Luke's University Health Network ("SLUHN") to occur on March 1, 2018, and

WHEREAS the SLUHN became the sole corporate member of SHH and SHH became the sole corporate member of SHRC, and

WHEREAS SLUHN and SHH now request that the Authority consent to the merger of SHRC into SHH and the dissolution of SHRC,

NOW, THEREFORE, the Authority hereby consents, authorizes and approves action by the Executive Director on behalf of the Authority to sign the Consent to Transaction as set forth in the request letter, a copy of which is attached hereto as Exhibit "A".

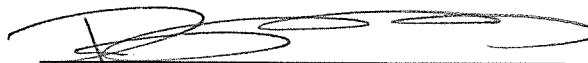
END OF RESOLUTION

CERTIFICATION

I, Pedro L Torres, Jr., Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-178 of the Board of Directors of the Authority passed at a duly convened meeting of said Board on the 5th day of December, 2018. Authority members present and voting were as follows:

<u>Vote</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.			✓
Nelson A. Diaz	✓		
Gregory N. Dudkin	✓		
Oldrich Foucek, III, Esq.	✓		
David Mickenberg	<i>absent</i>		
Tiffany Polek	✓		
John Stanley, Esq.	<i>absent</i>		
Pedro L. Torres, Jr.	✓		
John Williams, Jr., Esq.	✓		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 5th day of December, 2018.


Secretary



November 26, 2018

VIA FEDERAL EXPRESS

Allentown Neighborhood Improvement Zone Development Authority
5 N. Front Street
Allentown, PA 18102
Attn: Steve Bamford, Executive Director

Re: Consent for the Pending Merger of SH Realty with Sacred Heart Hospital of Allentown

Dear Mr. Bamford:

Sacred Heart HealthCare System ("SHHS"), Sacred Heart Hospital of Allentown ("SHH") and SH Realty Corporation ("SHRC") are parties to that certain Funding Agreement, Sacred Heart with the Allentown Neighborhood Improvement Zone Development Authority ("ANIZDA"), dated July 23, 2014 (the "Funding Agreement"). The Funding Agreement was entered into by the parties in connection with that certain Loan Agreement, dated July 29, 2014, among the Allentown Neighborhood Improvement Zone Development Authority, as Borrower, SHHS, SHH, and SHRC, as Guarantors, and National Penn Bank, as Lender (the "Loan Agreement"), relating to a loan of even date in the original principal amount of \$4,800,000.00. On December 26, 2017, Branch Banking and Trust Company, successor-in-interest to National Penn Bank under the Loan Agreement, assigned all of its right, title and interest as Lender under the Loan Agreement to Saint Luke's Hospital of Bethlehem, Pennsylvania ("St. Luke's").

This letter serves as notice to the ANIZDA, in its capacity as Grantor under the Funding Agreement, that SHH intends to merge SHRC into SHH and dissolve SHRC upon winding down its business. ANIZDA, by its Consent dated February 22, 2018 and confirmed by its full Board on April 4, 2018, previously acknowledged the change in direct ownership and control through an affiliation with St. Luke's Health Network, Inc. d/b/a St. Luke's University Health Network ("SLUHN"), whereby SLUHN became the sole corporate member of SHHS and SHH, and SHH became the sole corporate member of SHRC (collectively, the "Transaction").

Pursuant to Article VII of the Funding Agreement, none of the SH Entities may dissolve or otherwise discontinue its existence or operations without the prior written approval of the ANIZDA, which approval may not be unreasonably withheld. St. Luke's, in its capacity as Lender under the Loan Agreement, has consented to the merger and dissolution of SHRC in accordance with Section 8(f) of the Loan Agreement. In light of the above, the SH Entities hereby respectfully request that the ANIZDA consent to the merger of SHRC into SHH and the dissolution of SHRC for purposes of the Funding Agreement. If the same is agreeable to the ANIZDA, please have an authorized party sign where provided below and kindly return this letter to my attention at the address set forth above.

If you have any questions or require additional information, please contact me at (484) 526-7216 or stephen.lanshe@sluhn.org.

Allentown Neighborhood Improvement Zone Development Authority
RE: Consent to Merger and Dissolution SHRC
November 26, 2018
Page 2 of 2

Sincerely yours,

Stephen A. Lanshe, Esquire
Vice President Legal Affairs
Sacred Heart HealthCare System
Sacred Heart Hospital of Allentown
SH Realty Corporation

CONSENT TO TRANSACTION

The Allentown Neighborhood Improvement Zone Development Authority hereby consents to the consummation of the transaction, as described in this letter.

By: _____
Name: Steven K. Bamford
Title: Executive Director
Date: _____

ALLENTOWN NEIGHBORHOOD IMPROVEMENT ZONE
DEVELOPMENT AUTHORITY

RESOLUTION NO. R-2018-179

WHEREAS, Steven Bamford has dutifully performed as the Executive Director of the Authority in response to the tasks and challenges incumbent on the position, meeting the goals and needs as they arose,

NOW THEREFORE, BE IT RESOLVED, that the Allentown Neighborhood Improvement Zone Development Authority (the "Authority") hereby approves a performance based bonus in the sum of \$8,000.00 payable as of December 30, 2018; and

BE IT FURTHER RESOLVED that the Authority hereby approves continuing engagement of Steven Bamford as Executive Director for the year 2019 in accordance with the terms of his engagement letter dated December 6, 2016 with modification to increase the base annualized salary to \$145,000.00 effective January 1, 2019 and extending the stated bonus opportunity for the year 2019, with all other terms remaining as set forth in the engagement letter.


END OF RESOLUTION

CERTIFICATION

I, Pedro L. Torres, Jr, Secretary of the Allentown Neighborhood Improvement Zone Development Authority, do hereby certify that the foregoing is a true and correct copy of the Resolution R-2018-179 of the Board of the Authority passed at a duly convened meeting of said Board on the 5th day of December, 2018. Authority members present and voting were as follows:

<u>Vote</u>	<u>Yes</u>	<u>No</u>	<u>Abstain</u>
Seymour Traub, Esq.	✓		
Nelson A. Diaz	✓		
Gregory N. Dudkin	✓		
Oldrich Foucek, III, Esq.	✓		
David Mickenberg	<i>Absent</i>		
Tiffany Polek	✓		
John Stanley, Esq.	<i>Absent</i>		
Pedro L. Torres, Jr.	✓		
John Williams, Jr., Esq.	✓		

IN WITNESS WHEREOF, I hereunto set my hand and seal on this 5th day of December, 2018.


Secretary