

City of Philadelphia



(Bill No. 150508)

AN ORDINANCE

Authorizing and approving the execution and delivery of a Service Agreement between the City and the Philadelphia Authority for Industrial Development relating to the provision by the Philadelphia Authority for Industrial Development of development assistance to support certain costs related to promoting economic and commercial development of the City; approving the guaranty by the Philadelphia Authority for Industrial Development of certain obligations related to the issuance of a letter of credit to secure the funding of such costs; authorizing and approving the obligation of the City to pay in full when due the Service Fee and other amounts payable under the Service Agreement and covenanting to make necessary appropriations for such purposes; and authorizing City officials to take necessary or appropriate actions to accomplish the intent and purpose of the ordinance, all under certain terms and conditions.

WHEREAS, The City of Philadelphia (the “City”) and the Philadelphia Authority for Industrial Development (“PAID”) have determined that PAID will, with the cooperation of the City, promote the economic and commercial development of the City by providing a guaranty of certain reimbursement and related obligations (the “Guaranty”) with respect to a letter of credit (the “Letter of Credit”) issued to secure the funding of certain Development Costs as defined in this Ordinance; and

WHEREAS, The Council has determined that it is in the best interests of the City to: (i) authorize and approve the execution and delivery of a Service Agreement (the “Service Agreement”) by and between the City and PAID; (ii) approve the Guaranty by PAID with respect to the Letter of Credit; and (iii) authorize and approve the performance by the City of its obligation to pay in full when due the Service Fee (as defined in the Service Agreement) and other amounts payable under the Service Agreement; and

WHEREAS, The City is authorized to enter into the Service Agreement to enable the financing of the Development Costs which shall promote the health, safety, employment, economic activity and general welfare of the City and its citizens; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Council of the City (the “Council”) hereby: (i) authorizes and approves the execution and delivery of the Service Agreement, which shall be substantially in the form of Exhibit “A” hereto, with PAID; (ii) approves the Guaranty by PAID with respect to the Letter of Credit to be issued by a financial institution (the “LOC

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Provider”) to the Philadelphia 2016 Host Committee, a non-profit corporation organized under the laws of the Commonwealth of Pennsylvania, to secure the funding of certain costs related to the 2016 Democratic National Convention (the “Development Costs”), provided that the principal amount of the Letter of Credit shall not exceed Fifteen Million Dollars (\$15,000,000); and (iii) authorizes and approves the performance by the City of its obligation to pay in full when due the Service Fee payable under the Service Agreement (the “Service Fee”) and other amounts payable under the Service Agreement, which Service Fee and other amounts will only become due to the extent that draws under the Letter of Credit or related obligations are not otherwise timely reimbursed or paid.

SECTION 2. The Director of Finance is hereby authorized to execute and deliver, on behalf of the City, the Service Agreement in substantially the form of Exhibit A hereto, with such changes as the City Solicitor shall advise and the Director of Finance shall approve, consistent with the terms of this Ordinance. No amendment or supplement to the Service Agreement which permits the principal amount of the Letter of Credit described in Section 1 hereof to be exceeded shall be executed unless first approved by ordinance of the Council.

SECTION 3. The Service Agreement authorized by this Ordinance shall be executed in conjunction with the Guaranty by PAID with respect to the Letter of Credit. The Letter of Credit shall be in a principal amount that does not exceed that set forth in Section 1 hereof to be applied for the purposes described in Section 1 hereof. The Guaranty shall not be executed until the Director of Finance has approved the terms thereof.

SECTION 4. The City covenants to budget and make appropriations beginning in Fiscal Year 2016 and in each and every fiscal year thereafter in such amounts as shall be required in order to timely pay all Service Fee payments due and payable and to pay timely all other amounts due and payable under the Service Agreement.

SECTION 5. As long as PAID has any outstanding obligations under the Letter of Credit and the Guaranty, the City covenants unconditionally to pay all Service Fee payments and all other amounts due as provided for under the Service Agreement directly to the LOC Provider only out of current revenues of the City, which payments shall not be suspended, abated, reduced, abrogated, waived, diminished or otherwise modified in any manner or to any extent whatsoever and regardless of any rights of set-off, recoupment or counterclaim that the City may have against PAID or the LOC Provider or any other party or parties and regardless of any contingency, act of God, event or cause whatsoever and notwithstanding any circumstances or occurrence that may arise after the date thereof.

SECTION 6. The City agrees to be bound by each and every provision, covenant and agreement set forth in the Service Agreement.

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SECTION 7. The Director of Finance and all other proper officials of the City are hereby authorized, jointly and severally, on behalf of the City, to execute all documents as may be necessary in order to accomplish the intent and purpose of this Ordinance and to take all actions as may be required by the Constitution and the laws of the Commonwealth of Pennsylvania in order to effectuate the transaction approved hereby and the Guaranty by PAID with respect to the Letter of Credit.

City of Philadelphia

BILL NO. 150508 continued

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EXHIBIT "A"

Form of Service Agreement

SERVICE AGREEMENT
BETWEEN
PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT
AND
THE CITY OF PHILADELPHIA, PENNSYLVANIA

Dated as of _____, 2015

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SERVICE AGREEMENT

This Service Agreement (this "Service Agreement") made and entered into as of the ___ day of ___, 2015, between PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT, a public body and a body corporate and politic organized and existing under the laws of the Commonwealth of Pennsylvania (the "Authority"), and the CITY OF PHILADELPHIA, PENNSYLVANIA, a corporation and body politic, and city of the first class of the Commonwealth of Pennsylvania (the "City").

WITNESSETH:

WHEREAS, the Authority is a public body and a body corporate and politic existing under the laws of the Commonwealth of Pennsylvania (the "Commonwealth") and organized pursuant to the Pennsylvania Economic Development Financing Law, Act No. 102 of the General Assembly of the Commonwealth approved August 23, 1967 (P.L. 251), as amended and supplemented (the "Act"); and

WHEREAS, under the Act, the Authority has all powers necessary or appropriate to carry out and effectuate the purposes and provisions of the Act, including, among others, the power to promote economic and commercial development of the City; and

WHEREAS, the Authority and the City have determined that the Authority will, with the cooperation of the City, promote the economic and commercial development of the City by the provision of a guaranty (the "Guaranty") of certain reimbursement obligations of the Philadelphia 2016 Host Committee, a non-profit corporation organized under the laws of the Commonwealth of Pennsylvania (the "Host Committee"), with respect to a letter of credit (the "Letter of Credit") issued for the account of the Host Committee, to secure the funding of certain costs related to the 2016 Democratic National Convention; and

WHEREAS, the City Council of the City (the "City Council"), by Ordinance (Bill No. _____), adopted _____, 2015, and approved by the Mayor on _____, 2015 (the "Ordinance") has: (i) authorized and approved the execution and delivery of this Service Agreement; (ii) approved the Guaranty by the Authority with respect to the Letter of Credit, provided that the principal amount of the Letter of Credit shall not exceed \$15,000,000; and (iii) authorized and approved the performance by the City of its obligation to pay in full when due the Service Fee (as hereinafter defined) and other amounts payable hereunder; and

WHEREAS, the execution and delivery of this Service Agreement and the performance of their respective obligations hereunder has been in all respects duly and validly authorized by the Authority and the City;

NOW, THEREFORE, in consideration of the mutual agreements hereinafter contained, the parties hereto, intending to be legally bound, agree as follows:

DEFINITIONS

Definitions of Terms. Unless otherwise defined herein, all words and terms defined in the recitals hereto shall have the meanings set forth therein. In addition, the following terms shall have the following meanings unless the context otherwise requires:

“Annual Payment Requirement” shall mean, with respect to each applicable Fiscal Year, the sum of the amounts required to be paid by the Authority in such Fiscal Year for the payment of principal of and interest on the Term Loan, adjusted for any prepayment of the Term Loan pursuant to the terms thereof.

“Event of Default” shall mean any of the events described in Section 601 hereof.

“Fiscal Year” shall mean the annual accounting year of the City, which currently begins on July 1 of each year.

“Host Committee Agreements” shall mean the agreement or agreements pursuant to which the Authority has agreed to enter into the Guaranty and the Host Committee has agreed to reimburse the Authority, under the conditions set forth therein, for any payments by the Authority under the Guaranty, and any agreement or agreements providing security for such reimbursement obligation of the Host Committee.

“LOC Bank” shall mean the bank or other financial entity providing the Letter of Credit as further described in the Guaranty.

“Reimbursement Agreement” shall mean the agreement pursuant to which the LOC Bank has agreed to issue the Letter of Credit and the Host Committee has agreed to reimburse the LOC Bank for draws on the Letter of Credit.

“Service Fee” shall mean the Service Fee payable from the City hereunder as set forth in Section 401 hereof.

“Term Loan” shall mean the scheduled repayment of draws on the Letter of Credit for which the LOC Bank has not been reimbursed as of January 2, 2017, as further described in the Guaranty.

REPRESENTATIONS AND WARRANTIES

Representations and Warranties of the Authority. The Authority hereby represents and warrants as follows:

it is a public body and a body corporate and politic duly organized and existing under the laws of the Commonwealth with the power to enter into this Service Agreement and to carry out its obligations hereunder and has duly authorized the execution and delivery of this Service Agreement;

the execution and delivery of this Service Agreement by the Authority and the performance of all covenants and agreements of the Authority contained in this Service Agreement and of all other acts and things required under the Constitution and laws of the Commonwealth to make this Service Agreement a valid and binding obligation of the Authority enforceable against the Authority in accordance with its terms, are authorized by the Act and have been duly authorized by proceedings of the Authority adopted or passed at meetings thereof duly called and held;

the Guaranty will further the public purposes of the Act and the purposes for which the Authority was created and continues to exist; and

this Service Agreement has been duly executed on behalf of the Authority by its duly authorized officers and is the legal, valid and binding obligation of the Authority, enforceable against the

Authority in accordance with its terms, except as enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws or legal or equitable principles affecting creditors' rights generally.

Representations and Warranties of the City. The City hereby represents and warrants as follows:

it is a corporation and body politic and a city of the first class of the Commonwealth duly organized and existing under the laws of the Commonwealth with the power to enter into the transactions contemplated by this Service Agreement and to carry out its obligations hereunder and, pursuant to the Ordinance, has duly authorized the execution and delivery of this Service Agreement;

execution and delivery of this Service Agreement by the City and the performance of all covenants and agreements of the City contained in this Service Agreement and of all other acts and things required under the Constitution and laws of the Commonwealth to make this Service Agreement a valid and binding obligation of the City in accordance with its terms, are authorized by the Philadelphia Home Rule Charter and the Act and have been duly authorized by the Ordinance duly adopted by the City Council and approved by the Mayor; and

this Service Agreement has been duly executed on behalf of the City by its duly authorized Director of Finance and is the legal, valid and binding obligation of the City, enforceable against the City in accordance with its terms, except as enforcement may be limited by bankruptcy, reorganization, insolvency, moratorium or other similar laws or legal or equitable principles affecting creditors' rights generally.

THE GUARANTY

Execution of the Guaranty. The Authority will execute and deliver the Guaranty to the LOC Bank.

Agreements with the Host Committee; Repayment of City. The City shall have the right to pursue all remedies which the Authority may have against the Host Committee under the Host Committee Agreements or any third party, subject to the provisions of the Guaranty and the Host Committee Agreements, in the event that any payment is made under the Guaranty or the City makes any payment required hereunder, and the Authority expressly assigns such rights to the City. If the Authority receives any payments in reimbursement of payments that the Authority has made under the Guaranty, it shall promptly pay such amounts to the City, subject to the provisions of the Guaranty and the Host Committee Agreements.

Amendments. None of the Guaranty, the Host Committee Agreements, the Letter of Credit and the Reimbursement Agreement shall be amended in a manner which adversely affects the City without the prior written consent of the City.

SERVICE FEE

Service Fee. In consideration of the undertakings by the Authority under this Service Agreement including the provision of the Guaranty, the City agrees to pay as a Service Fee in each applicable Fiscal Year, directly to the LOC Bank, the Annual Payment Requirement for such Fiscal Year, payable on each January 2 and July 1, beginning on January 2, 2018, through July 1, 2022.

The Service Fee shall be payable only out of the current revenues of the City, and the City agrees to provide for the payment of the Service Fee and include the same in its annual operating budget for each Fiscal Year. If the current revenues are insufficient to pay the total Service Fee in any Fiscal Year as the same becomes due and payable, the City covenants to include amounts not so paid in its operating budget for the ensuing Fiscal Year in order to provide sufficient current revenues to pay in each ensuing year such balance due in addition to the amount of Service Fee due for such ensuing year.

The City covenants to make appropriations in each of its Fiscal Years in such amounts as shall be required in order to make all Service Fee payments due and payable hereunder in each of the City's Fiscal Years.

In no event (including an acceleration of the Authority's payment obligations under the Guaranty or of the Term Loan) shall the due dates for payments of the Service Fee hereunder be accelerated.

Section 101. Notices to the City. The Authority shall provide, or shall cause to be provided pursuant to the Host Committee Agreements, to the City:

On January 2, 2017, and on each January 2 thereafter until January 2, 2022, written notice of the total outstanding principal of the Term Loan as of such date and the Annual Payment Requirement (by payment date) in the Fiscal Year beginning on the next July 1.

Within five (5) business days of becoming aware of the same, written notice of all draws on the Letter of Credit and all reimbursements of the LOC Bank for draws on the Letter of Credit.

Within five (5) business days of becoming aware of the same, written notice of events of default under the Reimbursement Agreement, the Host Committee Agreements or the Guaranty.

No Set-Off. The obligation of the City to make the payments required under this Service Agreement shall be absolute and unconditional. The City will pay without suspension, abatement, reduction, abrogation, waiver or diminution all payments required hereunder regardless of any cause or circumstance whatsoever, which may now exist or may hereafter arise, including, without limitation, any defense, set-off, recoupment or counterclaim which the City may have or assert against the Authority or any other person.

Prepayment of Term Loan. The Authority shall, upon the written direction of the City, take such actions, or cause the Host Committee to take such actions, as are required to prepay the Term Loan pursuant to its terms on a date specified by the City; provided, that the City shall provide, or cause to be provided, the funds required to prepay the Term Loan on the date specified by the City.

FURTHER AGREEMENTS

Compliance With Laws. The City covenants that all actions heretofore and hereafter taken by the City or by the Authority upon the request of any officer of the City in connection with the transactions contemplated hereby, including the making of contracts, have been and will be in full compliance with all pertinent laws, ordinances, rules, regulations and orders applicable to the City. The City acknowledges that any review by the Authority's staff or counsel of any action heretofore or hereafter taken by the City has been or will be solely for the protection of the Authority. Such reviews shall not prevent the Authority from enforcing any of the covenants made by the City.

No Personal Recourse Against Authority; Assumption of Financial Responsibility.

In the exercise of the power of the Authority and its members, officers, employees and agents under this Service Agreement including (without limiting the foregoing) the application of moneys and the investment of funds, neither the Authority nor its members, officers, employees or agents shall be accountable to the City for any action taken or omitted by it or them except actions constituting bad faith, willful misconduct, gross negligence, fraud or deceit of the Authority or of any member, officer, employee or agent. The Authority and such other persons shall be protected in its or their acting upon any paper or document believed by it or them to be genuine, and it or they may conclusively rely upon the advice of counsel and may (but need not) require further evidence of any fact or matter before taking any action. No recourse shall be had by the City for any claims against any member, officer, employee or agent of the Authority alleging personal liability on the part of such person based on this Service Agreement.

To the extent authorized by applicable law, and in consideration of the service being rendered by the Authority to the City pursuant to the Act, the City agrees to indemnify, defend and hold harmless the Authority and each of its directors, officers, employees, agents and representatives (each an "Indemnified Party" and collectively, the "Indemnified Parties"), against any and all suits, claims or causes of action (collectively, "Claims"), and all liabilities, losses, costs, expenses, judgments and amounts paid in settlement (including without limitation, reasonable attorneys' fees) of every kind (collectively, "Losses"), relating to or arising in connection with the Authority's entering into this Service Agreement or any other documents executed by the Authority in connection with the transactions contemplated hereby, the performance of any of the Authority's obligations hereunder or thereunder, any acts or omissions with respect to the Authority's interest under this Service Agreement or any other documents executed by the Authority in connection with the transactions contemplated hereby; except in each case to the extent that the Claims and Losses are finally determined by a court of competent jurisdiction to have been directly caused by the willful misconduct, gross negligence, bad faith or fraud of any such Indemnified Party.

In the event any such Claim is made or action brought against any Indemnified Party, the City shall assume the defense of the Claim and any action brought thereon, and the City shall pay all expenses incurred therein; or the Authority, with the consent of the City Solicitor, may assume the defense of any such Claim or action, the reasonable costs of which shall be paid by the City; provided, however, that Counsel selected by the Authority to conduct such defense shall be approved by the City and further provided that the City may engage its own Counsel to participate in the defense of any such action.

The City shall have the right to control the defense of any legal proceedings involving any Claims (other than Claims relating to the inherent powers of the Authority), but shall keep the Authority advised as to all material developments in such proceedings. Notwithstanding anything herein to the contrary, the City shall not be required to indemnify or defend any Indemnified Party against any Claims or Losses to the extent such Claim or Loss is the result of the willful misconduct, bad faith, gross negligence, fraud or deceit of the Authority or such Indemnified Party; provided, however, the Authority's taking of any action, or the failure to take any action, which it is permitted to take under the terms of this Service Agreement or any of the documents executed by the Authority in connection with the transactions contemplated thereby, shall under no circumstances be deemed to constitute willful misconduct, bad faith, gross negligence, fraud or deceit; and furthermore, the taking of any action by the Authority at the written direction of the City shall not under any circumstances be deemed to constitute willful misconduct, bad faith, gross negligence or fraud.

The City shall not be obligated under paragraphs (b), (c) or (d) unless the Indemnified Party has given the City prompt and timely notice of matters contemplated thereby; provided however, the failure to so notify the City will not relieve the City from any obligation under paragraph (b), (c), or

(d) except to the extent such failure has materially injured the ability of the City to defend such matter successfully or to minimize the economic exposure resulting therefrom. Nothing in this Section shall be deemed to preclude the City from asserting any claim against an Indemnified Party for expenses that are finally determined by a court of competent jurisdiction to have been directly caused by such Indemnified Party's willful misconduct, bad faith, gross negligence or fraud.

No Waiver of Immunity. Nothing herein shall waive or amend any defense or immunity which the City or the Authority, their officers, employees or agents may have under the Pennsylvania Political Subdivision Tort Claims Act, 42 Pa. C.S.A. §8541 et seq. or the Commonwealth Agency Law, 42 Pa. C.S.A. §8521 et seq.

Non-Competitively Bid Contract Bidding Requirements. Pursuant to Section 17-1408 of the Philadelphia Code, the Authority shall abide by the provisions of Philadelphia Code Chapter 17-1400 in awarding any contract(s) pursuant to this Service Agreement as though such contracts were directly subject to the provisions of Chapter 17-1400, except that the exception set forth at Subsection 17-1406(8) shall apply to the Authority as if the Authority were listed in that subsection.

Unless approved by the City to the contrary, any approvals required by the Philadelphia Code Chapter 17-1400 to be performed by the City Solicitor shall be performed by the Authority by its General Counsel; any approvals required to be performed by the Director of Finance shall be performed by the Authority by its Senior Vice President for Financing Services; and any approvals required to be performed by the Mayor shall be performed by the Authority by its President.

Nondiscrimination/Sexual Harassment Clause. During the term of this Service Agreement, the City agrees as follows:

In the hiring of any employee(s) for the performance of work or any other activity required under this Service Agreement or any subcontract, the City, its contractors, or any person acting on behalf of the City or its contractors shall not, by reason of gender, race, creed, or color, discriminate against any citizen of the Commonwealth who is qualified and available to perform the work to which the employment relates.

Neither the City nor any of its subcontractors nor any person on their behalf shall in any manner discriminate against or intimidate any employee involved in the performance of work or any other activity required under this Service Agreement on account of gender, race, creed, or color.

The City and its subcontractors shall establish and maintain a written sexual harassment policy and shall inform their employees of the policy. The policy must contain a notice that sexual harassment will not be tolerated and employees who practice it will be disciplined.

The City shall not discriminate by reason of gender, race, creed, or color against any subcontractor or supplier who is qualified to perform the work relating to the property to which the contracts relates.

The City and each of its subcontractors shall furnish upon request all necessary employment documents and records to and permit access to their books, records, and accounts by the Pennsylvania Department of Community and Economic Development, for purposes of investigation, to ascertain compliance with provisions of this Nondiscrimination/Sexual Harassment Clause. If the City or its subcontractors do not possess documents or records reflecting the necessary information requested, the City or its subcontractors shall furnish such information on reporting forms supplied by the Pennsylvania Department of Community and Economic Development.

The City shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that such provisions will be binding upon each subcontractor.

In the event of a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause, the Pennsylvania Department of Community and Economic Development may proceed with debarment or suspension and may place the City in the Contractor Responsibility File.

For purposes of this Section, the parties hereto understand that (i) this Service Agreement is the "contract" and (ii) there is no subcontractor for the performance of the City's obligations hereunder.

Authority Audits. The Authority shall furnish to the City a copy of its annual audited financial statements, and, if requested, shall permit any duly authorized representative of the City to make reasonable examinations of its accounts and records relating to this Service Agreement and the transactions contemplated hereby.

EVENTS OF DEFAULT AND REMEDIES

Events of Default. Each of the following shall constitute an Event of Default hereunder:

The failure of the City to make any payment of the Service Fee due pursuant to Section 401 of this Service Agreement;

The failure of the City to make any other payment or to perform any other covenant, condition or agreement herein on its part to be performed; and

If the City proposes or makes an assignment for the benefit of creditors or a composition agreement with all or a material part of its creditors, or a trustee, receiver, executor, conservator, liquidator, sequestrator or other judicial representative, similar or dissimilar, is appointed for the City or any of its assets or revenues, or there is commenced any proceeding in liquidation, bankruptcy, reorganization, arrangement of debts, debtor rehabilitation, creditor adjustment or insolvency, state or federal, by or against the City and if such is not vacated, dismissed or stayed on appeal within sixty (60) days (provided that any such assignment, agreement, appointment or proceeding commenced under the First Class City Revenue Bond Act or the Municipal Utility Inventory and Receivables Financing Act, and/or any acceleration of the payment obligations in respect of any bonds, notes or other evidence of indebtedness issued under either aforementioned Act, shall not be an Event of Default hereunder).

Notice of Defaults; Opportunity to Cure Such Defaults. No default under Section 601(b) hereof shall constitute an Event of Default until actual notice of such default by registered or certified mail shall be given to the City by the Authority, and the City shall have had 30 days after receipt of such notice to correct the default and shall not have corrected it; provided, however, if the default cannot be corrected within such 30-day period, it shall not constitute an Event of Default if corrective action is instituted by the City within the period and diligently pursued until the default is corrected.

Remedies. If any Event of Default shall occur and be continuing, the Authority may at its option exercise any one or more of the following remedies: (a) by mandamus, or other suit, action or proceeding at law or in equity, enforce all rights of the Authority, and require the City to perform its duties and obligations under this Service Agreement; (b) by action or suit in equity require the City to account as if it were the trustee of an express trust for the Authority; or (c) by action or suit in equity enjoin any acts or things which may be unlawful or in violation of the rights of the Authority.

In no event (including an acceleration of the Authority's payment obligations under the Guaranty or of the Term Loan) shall the due dates for payments of the Service Fee hereunder be accelerated.

No Remedy Exclusive. No remedy herein conferred upon or reserved to the Authority is intended to be exclusive of any other available remedy or remedies, but each and every such remedy shall be cumulative and shall be in addition to every other remedy given under this Service Agreement or now or hereafter existing at law or in equity or by statute. No delay or omission to exercise any right or power accruing upon any default shall impair any such right or power or shall be construed to be a waiver thereof, but any such right and power may be exercised from time to time and as often as may be deemed expedient. In order to entitle the Authority to exercise any remedy reserved to it in this Article, it shall not be necessary to give any notice, other than such notice as may be herein expressly required.

No Additional Waiver Implied by One Waiver. In the event the breach of any agreement contained in this Service Agreement should be waived by either party, such waiver shall be limited to the particular breach so waived and shall not be deemed to waive any other breach hereunder.

MISCELLANEOUS

Notices.

Except as otherwise permitted herein, all communications hereunder shall be in writing and, unless otherwise required under this Service Agreement, shall be sufficiently given or made if delivered personally to the Person who is to receive the same or if mailed to such person by certified mail, return receipt requested, addressed as follows:

if to the Authority:

Philadelphia Authority for Industrial Development
c/o Philadelphia Industrial Development Corporation
2600 Centre Square West
1500 Market Street
Philadelphia, PA 19102
Attention: Chairman

With a copy to:

Philadelphia Authority for Industrial Development
c/o Philadelphia Industrial Development Corporation
2600 Centre Square West
1500 Market Street
Philadelphia, PA 19102
Attention: General Counsel

And

Stradley Ronon Stevens & Young, LLP
2600 One Commerce Square
Philadelphia, PA 19103
Attention: Christopher W. Rosenbleeth, Esquire

if to the City:

City of Philadelphia
c/o Director of Finance
1401 John F. Kennedy Boulevard
MSB - Room 1330
Philadelphia, PA 19102-1693

With copies to:

Law Department
City of Philadelphia
1515 Arch Street, 17th Floor
Philadelphia, PA 19102-1595
Attention: City Solicitor

City Treasurer
City of Philadelphia
1401 John F. Kennedy Boulevard
MSB - Room 640
Philadelphia, PA 19102-1693

Severability. If any provision of this Service Agreement shall be held invalid or unenforceable by any court of competent jurisdiction, such holding shall not invalidate or render unenforceable any other provision hereof.

Counterparts. This Service Agreement may be executed in any number of counterparts, each of which shall be an original and all of which together shall constitute but one and the same Service Agreement.

Benefit of Service Agreement. This Service Agreement shall inure to the benefit of and shall be binding upon the Authority, the City and their respective successors and assigns. In addition, the agreements and representations of the City and the Authority herein contained shall inure to, but only to, the LOC Bank for its own benefit with respect to payments of the Service Fee.

Termination. This Service Agreement shall terminate on such date as the principal of and interest on the Term Loan shall have been paid in full. Notwithstanding the foregoing, the City's obligations under Section 502 hereof shall survive any such termination.

Governing Law. This Service Agreement shall be governed by, and construed in accordance with, the substantive laws of the Commonwealth.

Entire Agreement. This Service Agreement constitutes the entire agreement and supersedes all prior agreements and understandings, both written and oral, between the Authority and the City with respect to the subject matter hereof.

Amendments and Supplements.

The parties hereto from time to time may enter into any written amendments or supplements hereto (which thereafter shall form a part hereof); provided, however, that this Service

Agreement as so amended or supplemented shall provide at least the same security for the LOC Bank as the Service Agreement as originally executed; and provided further, the written consent of the LOC Bank is required for any amendment or supplement which changes the amount or timing of payment of the Service Fee or otherwise adversely affects the LOC Bank.

To the extent required by law, any amendment or supplement to this Service Agreement shall be approved by ordinance of the City Council.

Limitation on Liability of the Authority. No provision of this Service Agreement shall be construed so as to give rise to a liability of the Authority or any of its members, officers or employees, or to give rise to a charge upon the general credit of the Authority or such members, officers or employees; any liability hereunder of the Authority shall be limited exclusively to its interest in this Service Agreement and the lien of any judgment shall be restricted thereto.

Construction; Conflict with Ordinance. If any provision of this Service Agreement conflicts with the provisions of the Ordinance, the Ordinance shall control.

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Service Agreement, all as of the day and year first above mentioned.

PHILADELPHIA AUTHORITY FOR INDUSTRIAL DEVELOPMENT

By: _____
Name:
Title:

CITY OF PHILADELPHIA, PENNSYLVANIA

By: _____
Name:
Title:

City of Philadelphia

BILL NO. 150508 continued

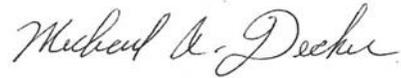
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City of Philadelphia

BILL NO. 150508 continued

Certified Copy

CERTIFICATION: This is a true and correct copy of the original Bill, Passed by the City Council on June 18, 2015. The Bill was Signed by the Mayor on June 18, 2015.



Michael A. Decker
Chief Clerk of the City Council