

**Proposed Amendment to Bill No. 250568, including Amendment of Exhibit A
Amendment to Exhibit B
Addition of Exhibit C**

Additions in ***bold italics***
Deletions in [brackets]

AN ORDINANCE

Authorizing and approving the execution and delivery of a Service Agreement between The City of Philadelphia and the Philadelphia Redevelopment Authority relating to the financing of a Housing Opportunities Made Easy (H.O.M.E.) Plan which includes housing production and preservation, home affordability, home owner and renter assistance, related contractor training and support, blight and vacant property reduction, urban beautification, neighborhood infrastructure, and other related programs; approving the issuance by the Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) in one or more series to finance or refinance such plan and authorizing and approving the obligation of The City of Philadelphia to pay in full when due the Service Fee and other amounts payable under the Service Agreement; authorizing certain City officers to take certain actions required to issue such bonds, notes or other evidences of indebtedness; covenanting that The City of Philadelphia will make necessary appropriations in each of the City's fiscal years to provide for, and will make timely payments of, the Service Fee and other amounts due under the Service Agreement; requiring an annual program statement and budget to be approved by Council, and other requirements; and authorizing and approving the Director of Finance of the City and other City officials to take other necessary or appropriate actions to effectuate the purposes of this ordinance; all under certain terms and conditions.

WHEREAS, The City of Philadelphia (the "City") has determined that the Philadelphia Redevelopment Authority (the "Authority") will, at the direction of and with the cooperation of the City, pursuant to the Service Agreement (as defined herein), provide financial and administrative services to the City in connection with, and undertake, all or a portion of a Housing Opportunities Made Easy (H.O.M.E.) Plan (the "H.O.M.E. Plan") which includes housing production and preservation, home affordability, homeowner and renter assistance, related contractor training and support, blight and vacant property reduction, urban beautification, neighborhood infrastructure, and other related programs of the H.O.M.E. Plan, including the financing or refinancing of certain costs thereof, all as further described in Exhibit A hereto in order to encourage the provision of healthful homes and a decent living environment, eliminate blight, preserve critical affordable housing, respond to inadequacies in the supply of residential owner-occupied and rental housing in the City, encourage the provision of adequate places for employment, and promote economic activity to improve the health, safety and welfare of residents of the City; and

WHEREAS, The Council of the City (the "Council") has, by this Ordinance, 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 the Authority; (ii) approve the issuance by the Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) in such amount and for such purposes as described in Section 1 herein in one or more series, either as taxable or

tax-exempt obligations; 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 and refinancing of certain costs of the H.O.M.E. Plan; now, therefore

THE COUNCIL OF THE CITY OF PHILADELPHIA HEREBY ORDAINS:

SECTION 1. The Council hereby: (i) authorizes and approves the execution and delivery of the Service Agreement, which shall be substantially in the form of Exhibit B hereto; (ii) approves the issuance from time to time by the Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) (the “Obligations”) in an aggregate principal amount not to exceed Eight Hundred Million Dollars (\$800,000,000), plus amounts necessary for costs of issuance, amounts necessary to effect any refunding of Obligations, interest on the Obligations and costs of credit or liquidity enhancement, at any one time outstanding, in one or more series, either as taxable or tax-exempt obligations, to finance or refinance certain costs of the H.O.M.E. Plan, interest on the Obligations, costs of credit or liquidity enhancement, amounts necessary to effect any refunding, and the costs of issuing the Obligations (collectively, the “Project”); 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; provided that all expenditures of proceeds of the Obligations on the H.O.M.E. Plan shall be subject to Section 2 of this Ordinance.

SECTION 2. The Service Agreement authorized by this Ordinance shall provide that no proceeds of Obligations shall be used except in accordance with the provisions of this Section 2; and shall further provide that City Council is an intended beneficiary of such provisions and may sue for their specific enforcement.

(a) Prior to each fiscal year in which the Mayor intends to spend the proceeds of Obligations, the Mayor shall submit to Council for its approval by resolution a detailed H.O.M.E. Program Statement and Budget (“Annual Program Statement and Budget”) setting forth the allocation for expenditure of proceeds of Obligations on the component programs listed in Exhibit A. At least sixty days before the Mayor submits the Annual Program Statement and Budget to Council for its approval by resolution, the Mayor shall send to each member of Council a preliminary Annual Program Statement and Budget in the same detail that will be contained in the final Annual Program Statement and Budget for which the Mayor will request approval of Council. The Annual Program Statement and Budget shall include, for each program included in the Annual Program Statement and Budget:

(i) A description of each program with respect to which proceeds are intended to be spent;

~~[(i)]~~*(ii)* The targeted percent(s) of Area Median Income (AMI) for each program;

[(ii)] **(iii)** An identification of each Council District affected by each program;

[(iii)] **(iv)** A list of any properties the Mayor will ask Council to take action on, and the nature of the action that will be requested. This provision does not preclude the Mayor from requesting any action from Council on properties related to the H.O.M.E. Plan at any time.

(b) No proceeds of any Obligations may be expended for the H.O.M.E. Plan **component programs** [, or for payment of costs of issuance,] until Council approval required under Section 2(a) has been obtained except as provided in Section (c). ***Costs of issuance, service fees, and other such fees related to securing the Obligations, may be expended prior to Council approval required under Section 2(a).***

(c) A Project Review Team (“Review Team”) is hereby created, consisting of [one] **two** members to be appointed by the Mayor and two members to be appointed by the President of Council (“Council Appointees”), all of whom shall serve at the pleasure of the appointing authority. The Review Team may, ***by agreement of all members***, authorize the following:

- (i) Changes to the approved Annual Program Statement and Budget, including reallocation of program funds, provided that the total Annual Program Statement and Budget does not change and the cumulative reallocation of funds does not exceed [2]**10**% of the total Annual Program Statement and Budget. Any change in the total Annual Program Statement and Budget or reallocation exceeding [2]**10**% of the Annual Program Statement and Budget must be submitted to Council for approval in a revised Annual Program Statement and Budget.
- (ii) Start-up expenditures of \$5 million prior to approval of the first Annual Program Statement and Budget, provided that the program allocations for the funds are identified.

If the Council Appointees determine that an authorization will have a material effect on a Council District, prior to authorization, the Council Appointees shall first provide each District Councilperson whose district is directly affected the opportunity to meet with the Review Team in order for the District Councilperson to review, comment upon and make recommendations concerning such matter, and the Council Appointees shall not approve any matter without first obtaining written authorization from each District Councilperson whose district is directly affected by such matter.

(d) ***For any quarter*** [Within one hundred twenty days (120) days after the close of any fiscal year] in which the proceeds of Obligations are spent, the Mayor shall submit a[n] [annual] report to Council. The [annual] ***quarterly*** report shall summarize, in accordance with the Annual Program Statement and Budget, and listed by program:

- (i) all actual or committed expenditures;

- (ii) all real estate transactions;
- (iii) [involvement] **participation** of Minority, Female, and Disabled Owned Disadvantaged Business Enterprises as those terms are defined in Section 17-501 of The Philadelphia Code;
- (iv) **steps taken to ensure that homeowner beneficiaries of H.O.M.E. Plan funds or programs were referred to available resources for tangled title counseling.**

(e) The provisions of this Section 2 are not severable from the remaining provisions of this Ordinance, but are essentially and inseparably connected with all other provisions of this Ordinance. It is hereby declared to be the legislative intent of Council that Council would not have enacted this Ordinance or any portion of this Ordinance unless all provisions of this Section 2 were a valid part of such enactment. No proceeds of any Obligations of any series shall be spent unless there is full compliance with the approval process set forth in Section 2 of this Ordinance, and all required approvals are obtained. Provided that to the extent that the Authority has issued Obligations in reliance upon this Ordinance, the covenants and representations of this Ordinance, and the Service Agreement are fully enforceable upon the City. The Council of the City of Philadelphia is an intended beneficiary of the requirements of this Section 2. Council shall have standing to sue for specific enforcement of the requirements of this Section 2, and the City and the Authority agree not to challenge the standing of Council in any action for such specific enforcement. No violation of Section 2 shall effect the legality, validity or enforceability of any other Section of this Ordinance.

(f) For fiscal year 2026, any of the submissions required by Section 2 may be made any time during the fiscal year.

SECTION 3. *Notwithstanding any other provision of law to the contrary, including any provision establishing a need for further approvals by resolution or otherwise, and under the following limitations, Council hereby authorizes the disposition of real estate within the City of Philadelphia, whether such property is currently owned by the City or by the Authority or the Philadelphia Land Bank and whether such transfer is made through one or more intermediary such as the Authority or Land Bank:*

- (1) *Disposition must be made for the purpose of developing housing in connection with the Mayor's H.O.M.E. Plan.***
- (2) *The disposition must be pre-authorized by a letter signed by the District Councilmember representing the district where the properties are located.***
- (3) *This authorization shall apply to no more than 1,000 parcels, selection of which shall be determined by the Director of Planning and Development and identified on a running list which shall be made publicly available on a City website.***
- (4) *No such parcel may exceed 1,500 square feet in area.***

SECTION 4[3]. The Director of Finance of the City (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 B hereto, with such changes as the City Solicitor shall advise based on requirements of law or otherwise, 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 total aggregate principal amount of the Authority’s Obligations (at any one time outstanding) described in Section 1 hereof to be exceeded shall be executed unless first approved by ordinance of the Council.

SECTION 5[4]. The issuance of Obligations to refund outstanding Obligations (whether at maturity, through redemption or otherwise) is hereby authorized, and the Director of Finance is hereby authorized to execute and deliver, on behalf of the City, any required amendment or supplement to the Service Agreement in such form as the City Solicitor shall advise and the Director of Finance shall approve, consistent with the terms of this Ordinance; provided that no amendment or supplement to the Service Agreement shall permit the issuance of Obligations by the Authority which causes the total aggregate principal amount of the Authority’s Obligations (at any one time outstanding) described in Section 1 hereof to be exceeded unless first approved by ordinance of the Council.

SECTION 6[5]. The Service Agreement authorized by this Ordinance (and any required amendment or supplement thereto) shall be executed in conjunction with the issuance by the Authority of its Obligations in an aggregate principal amount, together with the aggregate principal amount of any other Obligations issued by the Authority (at any one time outstanding) that does not exceed that set forth in Section 1 hereof to be applied for the purposes described in Section 1 hereof. The Obligations shall not be executed or delivered until the Director of Finance has approved the terms thereof.

SECTION 7[6]. The City covenants to budget and make appropriations beginning in Fiscal Year 2026 and in each and every fiscal year thereafter in such amounts as shall be required in order to make timely all Service Fee payments due and payable and to pay timely all other amounts due and payable under the Service Agreement.

SECTION 8[7]. As long as the Obligations issued by the Authority are outstanding, the City covenants unconditionally to make all Service Fee payments and pay all other amounts due as provided for under the Service Agreement directly to any trustee and/or other entity (the “Trustee”) to which the Service Fee may be assigned as security for payment of the Obligations issued by the Authority, any other payments due to a lender or a holder with respect to any Obligations, and the obligations of the Authority under any credit facility and/or liquidity facility securing the related Obligations, 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 the Authority or the Trustee or any holder of Obligations, any credit 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 9[8]. The City agrees to be bound by each and every provision, covenant and agreement set forth in the Service Agreement.

SECTION 10[9]. 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 (including without limitation one or more continuing disclosure agreements, letters of representation, continuing covenant agreements, escrow agreements, dealer manager agreements, reimbursement agreements for any lines or letters of credit, and intergovernmental or other cooperation agreements with the Authority and/or other appropriate parties, as directed by the Director of Finance) as may be necessary in order to accomplish the intent and purpose of this Ordinance and the Project, 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 financing approved hereby and the issuance of the Obligations.

SECTION 11[10]. The Council reasonably expects that the proceeds of each series of tax-exempt Obligations will be expended for the Project within three years of the issuance of each such series and will not take any action or omit to take any action which would cause the expenditure of the proceeds of tax-exempt Obligations for the Project to proceed other than with due diligence.

SECTION 12[11]. In accordance with Treasury Regulations §1.150-2, the City hereby states its intention that a portion of the proceeds of the Obligations will be used to reimburse itself or the Authority for expenditures for costs of the Project paid prior to the date of issuance of one or more series of the Obligations. The maximum principal amount of Obligations expected to be issued for the Project is \$800,000,000.

SECTION 13[12]. This Ordinance shall take effect immediately.

EXHIBIT A

DESCRIPTION OF COMPONENT PROGRAMS OF THE H.O.M.E. PLAN

Exhibit A

Description of the Housing Opportunities Made Easy (H.O.M.E.) Plan

The Housing Opportunities Made Easy (H.O.M.E.) Plan (the “H.O.M.E. Plan”) includes component programs described in further detail below to be undertaken and/or administered by the Philadelphia Redevelopment Authority (the “Authority”), the Philadelphia Housing Development Corporation (“PHDC”) and The City of Philadelphia (the “City”), to preserve homes, make homes more affordable, build more housing, improve municipal customer service for homeowners, renters, landlords, developers, and contractors, prevent housing instability and homelessness, ensure that housing and neighborhood infrastructure are in a state of good repair and more resilient, redevelop vacant lots and buildings, and beautify City blocks in order to promote the health, welfare and safety of the residents of the City, prevent and eliminate blight, and encourage the provision of healthful homes, a decent living environment and adequate places of employment for residents of the City through redevelopment, renewal, rehabilitation, housing, conservation, urban beautification and similar activities which may also be undertaken in commercial and mixed-use areas. The H.O.M.E. Plan may include the development, creation, expansion, implementation, assessment, and funding of: (a) programs to expand home ownership within the City and produce, preserve, maintain and stabilize the City’s affordable housing inventory for the benefit of the residents of the City; (b) programs to assist renters and homeowners in remaining in their homes and residents to avoid homelessness; (c) programs to develop and enhance the supply of contractors for housing and real property projects within the City that further the purposes of various components of the H.O.M.E. Plan; (d) programs involving repairs, new construction, renovations and other improvements related to real property necessary to help property owners, neighborhood and community organizations, other non-profit entities and small businesses in low, moderate, and middle income areas and middle neighborhoods make investments that will benefit residents of the City, including for purposes of reducing blight and vacant properties and promoting urban beautification; and (e) programs for the improvement or enhancement of neighborhood infrastructure for the benefit of residents of the City. ***Any homeowner who is the beneficiary of H.O.M.E. Plan funds or programs will be referred to available resources for tangled title counseling, for the protection of both the individual residents, and the City’s investment in the properties.***

The Authority will, to the extent requested by the City, select, or otherwise cooperate with the City in the selection of certain governmental, non-profit and other entities, including MWDBE-contracting entities, as Program Intermediaries (PIs) to assist in carrying out various program delivery activities. To the extent that the City may utilize PIs to administer elements of the component programs of the H.O.M.E. Plan and perform specified activities in connection with the H.O.M.E. Plan, the Authority will cooperate with the City in the oversight, administration and coordination of such activities of such PIs to the extent directed by the City. The City and the Authority may also mutually determine that the Authority or PHDC will carry out certain program delivery activities directly on behalf of the City.

Proceeds of Obligations will be used for some or all of the following program costs (either incurred directly, or on a reimbursement basis, by the City, the Authority, PHDC or PIs). Any of the programs described below may be funded through use of an existing funding mechanism, or establishment of a new funding mechanism administered by a community development

financial institution (CDFI) or other PI acceptable to the City and the Authority from which may be made direct payments for costs of property acquisition, construction or improvements, or grants or loans in connection with carrying out various program delivery activities. Unless expressly specified otherwise within this Exhibit, loans may be made at zero or below-market interest rates and may be made as forgivable loans. No proceeds of Obligations shall be used by the City, the Authority, or any related entity to acquire an equity interest in any proprietary entity. Without intending to limit the application of proceeds of Obligations to finance other proper component program expenses, such proceeds may be used to: (i) pay fees (other than referral fees) and costs for program related services rendered to homeowners, landlords, renters, contractors, community organizations, non-profit entities, and small business owners participating in component programs, (ii) provide credit and similar counseling and advisory services to homeowners, landlords, renters, developers, contractors, and others in connection with application processes, (iii) pay the costs of retaining one or more third party evaluation organizations to collect data on a particular component program, verify outcomes, and produce reports on the impact of the particular component program, (iv) pay the costs related to assessing, designing (or redesigning) and implementing customer service and other processes related to the more effective management and/or development of existing and future housing related programs, and (v) pay the cost of administration of the respective component programs of the H.O.M.E. Plan by the City, the Council, the Authority, PHDC, or such PIs as determined by the City, the Council and the Authority, including, but not limited to, third party consulting services, staff time and internal resources expended managing an applicable component program, processing invoices, providing accounting services, overseeing contracts and carrying out annual audits.

The following general provisions shall be applied in implementing the component programs of the H.O.M.E. Plan discussed below except to the extent: (i) specifically provided otherwise within this Ordinance or (ii) limited or otherwise prescribed by applicable law from time to time in effect. References to “residential units,” “housing,” and similar terms shall be understood to encompass both rental and owner-owned units and property. Descriptions below shall be interpreted to maintain or expand, and not to limit, the scope of a given existing program as currently in effect at the time of enactment of this Ordinance. The component programs of the H.O.M.E. Plan may be undertaken in low, moderate and middle income census tracts and middle neighborhoods. The various housing production and preservation programs included within the H.O.M.E. Plan may be implemented to advance the City’s workforce housing needs consistent with the purposes of the Pennsylvania Urban Redevelopment Law. Activities to implement the component programs of the H.O.M.E. Plan may be undertaken anywhere within the service area of the Authority which is co-extensive with the City’s boundaries. References to providing capital and similar references shall permit the use of loans and grants. The future conveyance of properties acquired, constructed, rehabilitated or otherwise improved pursuant to the programs described below may be subject to such requirements as the Authority and City may impose upon borrowers, grantees, PIs, and other applicable program participants to further the purpose of developing and maintaining the supply of affordable housing within the City.

Any dollar amounts specified below in the description of any program, may be treated as increased over time based on the Consumer Price Index, the Producer Price Index and/or any other federal or commercial then-prevailing measure of changes in price levels, as applicable in the Philadelphia Metropolitan Statistical Area (or any similar successor regional

description). Such increases shall not permit the issuance of Obligations in an aggregate principal amount above the limit provided in Section 1 of this Ordinance. Any references below to percentages (e.g., with respect to “Area Median Income” or “AMI”) shall be subject to change from time to time by the City provided that any such changes are consistent with the purposes of the Pennsylvania Urban Redevelopment Law.

Access to Bonding for Local Contractors. *This program shall create one or more funds at federal or state-chartered banks, savings institutions, CDFIs or other appropriate financial services partners to provide access for locally licensed (or appropriately exempted) construction, trade, supplier and other customary real property contractors (“Contractors”) to payment, performance, supply and other common types of required bonding for urban residential and other real property projects within the City. It is a goal of this program to facilitate Contractors obtaining such bonding at lower price points compared to recent price levels available within the City. This program is intended to require applicable financial service partners to agree to offer specific terms to borrowers for commercially reasonable periods of time in light of market conditions prevailing from time to time.*

Acquisition Fund. This program shall provide capital for *entities including, but not limited to*, the Authority, or PHDC to acquire occupied multifamily buildings or land for development to increase the supply of affordable residential units within the City. ***No buildings or land acquired with this Acquisition Fund shall be disposed of by the Authority or PHDC for market rate housing.***

Adaptive Modifications Program (AMP). This program shall provide free adaptation projects to provide easier access to and mobility within homes (which may be delivered pursuant to grant or other arrangements) for permanently disabled renters (with permission of the related property owner) and homeowners with household income up to 80% of Area Median Income (AMI). Eligible homes shall be those meeting the AMP’s existing criteria.

Affordable Housing Preservation (HPres). This program shall include the provision of “gap” financing (i.e., financing including short to medium-term loans to address timing considerations or longer-term financing to complete the “capital stack” for a project financed predominantly from other sources) to developers for renovation, acquisition of property and other expenditures for housing preservation projects.

HPres may consist of providing loans and/or grants to PIs, property owners and developers for costs of existing property acquisition and rehabilitation, and providing funds for existing property acquisition and rehabilitation directly by the City or PIs for potential resale, to preserve existing affordable rental housing, with special emphasis on the preservation of Low-Income Housing Tax Credit rental housing developments. The major components of the HPres program will consist of programs in the following areas for which proceeds may be expended:

Preservation Acquisition Funds – Providing funds for the public, private or not for profit acquisition of rental units at risk of being converted to market-rate units. This may include properties with expiring tax credits, projects placed on the open market for sale or naturally occurring affordable housing that is at risk of market-rate conversion, including the payment of settlement and other costs related to the acquisition and

transfer of such properties and costs related to maintaining, managing and holding properties prior to their resale or other conveyance.

Capital Improvements – Providing funds to be used to make capital improvements to existing affordable units. These improvements may take the form of wholesale rehabilitation or may include specific capital needs such as roof replacement, new heating system, energy upgrades or accessibility improvements.

Affordable Housing Production (HPro). This program may similarly provide “gap” financing for construction, reconstruction, acquisition of property and other expenditures for housing production projects.

HPro may consist of providing loans and/or grants to PIs, property owners and developers for costs of rehabilitation, property acquisition and new construction, and providing funds for property acquisition directly by the City, to increase the production of affordable rental housing, ***including mixed use***. The major components of the HPro program will consist of programs in the following areas for which proceeds may be expended:

Low-Income Housing Tax Credit Projects – Providing funding as long-term, low interest subordinate debt to fill financing gaps for low-income housing projects which have already secured a reservation of tax credits.

Affordable Rental & Special Needs Housing Development – Providing funding as long-term, low interest subordinate debt to fill financing gaps for new residential development that serves low- and moderate-income households and is not tied to Low Income Housing Tax Credits.

Housing Opportunities Fund – Providing patient capital in which the City, the Authority or PHDC purchases an ownership stake in a privately constructed and managed building while requiring that housing units in the building be reserved for households earning 50% or less of Area Median Income.

Increased Rental Affordability – Providing grant funding as short-term rent assistance to buy down the cost of rent for newly created units to make them affordable to low- and very low-income tenants, including with respect to projects that may include a mix of units at market rate rents and certain percentages of median rental prices.

Acquisition – Providing grant funding via the Philadelphia Land Bank to purchase properties at Sheriff Sale in order to complete development parcels for the development of affordable and mixed-income housing units.

Basic Systems Repair Program (BSRP). This program shall provide free home repairs (which may be delivered pursuant to grant or other arrangements) to correct electrical, plumbing, heating, limited structural, and carpentry and roofing emergencies. Eligible grant recipients shall be homeowners with household income up to 100% percent of AMI, and in owner-occupied homes which are eligible according to BSRP’s existing criteria.

Built to Last (BTL). This program shall provide free home repairs (which may be delivered pursuant to grant or other arrangements) inclusive of what can be provided via Basic Systems Repair along with additional energy conservation and healthy housing repairs. Eligible grant recipients shall be homeowners in owner-occupied homes which are eligible according to BTL's existing criteria.

Contractor Training. This program shall offer training for Contractors to assist with development projects overseen by the City, Authority or PHDC or their agents or PIs that require extra staffing support until the project is placed in service and available to be operating at design capacity. The objective of this program is for the City, the Authority, PHDC and their agents and any PIs to provide graduates of this training program with job opportunities and increase staffing for new construction and preservation projects for housing and related amenities and infrastructure. It is a further objective of this program that participants will gather the skills and expertise needed to create safe, high-quality homes in the various communities throughout the City.

Curbside Appeal Program. This program shall offer matching grants (which may up to 100%) to enhance "curbside appeal" in City neighborhoods through improvements that boost quality of life, attractiveness, and community cohesion. Components of this program will include, but not be limited to, improvements such as planting trees, greening vacant lots, installing street furniture, and repainting doors and trim facing pedestrians, customers and visitors. Eligible recipients of grants may include non-profit organizations and small businesses.

Employer-Assisted Housing. This program shall provide participating employers with financial assistance and services for such employers' City-based employees, including homebuyer assistance for first-time home buyers. Homebuyer assistance may be in the form of below-market loans or other arrangements that "buy down" the effective rate of such loans. Other financial assistance and services which may be provided to such employees for residential purposes shall include loan and credit counseling type services.

Façade Improvement Program. This program shall provide one-time funding (which may be administered on either a per residential unit basis or a per recipient basis) for the repair of housing façade work. Already existing architectural details in such facades may be restored or preserved. These projects may include weatherization assistance (which may be provided through grants and/or other services to homeowners or other property owners) required to maintain homes for the long term or to prevent structural damage which may shorten the useful life of such property.

Home Appraisal Bias. This program shall provide training on home appraisal bias for City and other public sector internal staff, housing counseling agency staff, and City residents interested in purchasing a home or refinancing mortgage debt for an existing home. Funding for such training may extend to curriculum development and matters that relate to basic education about home appraisal services. This program is intended to advance the objective of increasing home ownership and improvements within the City.

Home Service Clearinghouse and Concierge. This program shall be administered by the City, the Authority, PHDC, the Philadelphia Energy Authority, or a PI in order to pre-qualify

Contractors, maintain a registry, ensure quality control, and provide easy access to responsive, quality Contractors across trades and other services for purposes of residential and related projects within the scope of the various other component programs of the H.O.M.E. Plan.

Homelessness Prevention. This program shall be operated by the City in order to provide support to individuals and families at risk of homelessness, resources for housing stabilization, and a pathway towards permanent housing for such individuals and families. Specific services to be provided directly to such individuals and families as part of this program shall be tailored toward meeting direct needs for adequate shelter and housing.

This program may consist of providing funds for the City or PIs to improve existing properties or provide for the costs of the acquisition of properties and their transfer to responsible owners/managers who will maintain the properties' suitability for permanent housing options for homeless residents, including the funding of loans to property owners and developers, the payment of settlement and other costs related to the acquisition and transfer of such properties and costs related to maintaining, managing and holding properties prior to their resale or other conveyance, any of the foregoing of which may be implemented in whole or in part through the funding of an acquisition and capital improvements fund. The major components of this program will consist of programs in the following areas for which proceeds may be expended:

Acquisition – Providing funds for the acquisition of properties to provide for permanent housing for currently homeless individuals. Funding would either take the form of direct property purchases to bring properties into the public inventory or as long-term, subordinate loans to third party providers to acquire properties.

Capital Improvements – Providing funds to either directly fund capital improvements for property in public inventory or as long-term, subordinate loans to private, third-party owners to make capital improvements to create or maintain units for permanent, homeless housing. Capital improvements may take the form of rehabilitation in order to convert a property from its current or former use into a homeless housing facility or may include specific capital needs such as roof replacement, new heating system, energy upgrades or accessibility improvements.

Emergency Rental Assistance – Providing grant funding for those facing a homelessness emergency coming in via the City's Homelessness Prevention Hotline. Funding can take the form of either a one-time payment for moving costs (first month rent, last month rent, security deposit) or 12 months of rental assistance with housing case management.

Small Landlord Incentive Program – Providing funds in the form of grants to provide incentives, such as an upfront participation payment (per unit) and a rental loss and damages reserve (per unit) for rental property owners who commit to renting to people with rental assistance vouchers or other subsidy for a period commensurate with receiving public funding support to encourage their participation in providing housing to people exiting homelessness.

Children and Youth Homelessness – Providing funds for counseling, case management, and rental assistance for the City or PIs to support School District of Philadelphia students experiencing homelessness or at risk of becoming homeless to combat truancy and increase academic achievement.

Homeowners Insurance Program. This program shall involve a research initiative intended to determine the best approach to improving homeowner insurance costs for City residents. This program is intended to advance the objective of increasing and maintaining stable home ownership within the City and increase affordability for homeowners.

Housing Counseling and Foreclosure/Eviction Prevention. This program shall provide housing counseling services, mediation services, and assistance to City residents at risk of eviction and foreclosure of their homes.

Housing Plus Rental Assistance – Providing sustained rental assistance to low-income families in the private rental market to complement the Authority’s Housing Choice Voucher program. Funding will be administered either by the City or Authority, prioritizing those already on the Housing Choice Voucher waitlist, those participating in an existing rental assistance program that is ending or at risk of expiration, or those in receipt of emergency vouchers being terminated due to federal funding cuts.

Improve the Land Bank’s Efficiency and Effectiveness. This program shall be undertaken by the City, the Authority, PHDC and/or a PI for the purpose of identifying opportunities to streamline work and increase efficiency within the Land Bank via strategic review of processes and resource allocation. This program is intended to advance the objective of increasing the rate at which properties held within the Land Bank are redeveloped for home ownership and other purposes within the City and to facilitate data-driven approaches for assessing the results of the Land Bank’s work, both in terms of specific neighborhoods and for the City overall.

Land Bank Acquisition Fund. This program shall provide capital to acquire repossessed property at public auctions to increase the supply of affordable owner-occupied and rental residential units within the City.

Long-Term (70/30) Ground Leases. This program shall provide for additional publicly owned sites to be available for mixed-income residential development. Funding may be deployed for the acquisition of interests in real property to be utilized in such ground lease development transactions.

Neighborhood Infrastructure Improvement Programs (NIIP). This program shall fund providing grants or loans to property owners for improvement or enhancement of privately owned neighborhood infrastructure for the benefit of the residents of the City. A principal focus of this program is the stabilization of retaining walls, repair of dilapidated shared driveways, and removal of dangerous trees in common alley ways. Retaining walls to be improved will in particular include those that are classified by the City as imminently dangerous or unsafe under the City Code. Improvements to other private assets in disrepair (e.g., driveways, alleys, sidewalks, trees, sewers) that may create dangerous or unhealthy conditions may also be

funded. The City may cause improvements or enhancements to be made directly to property. The City may impose assessments to adjacent property owners to recover costs.

Nonprofit Community and Anchor Institution Land Acquisition. *This program shall fund the City, the Authority or PHDC obtaining campus land to provide access to large swaths of viable property and underutilized buildings that can be available to the Land Bank and converted to affordable housing.*

One Philly Mortgage Program. This program shall partner with local and regional lending institutions to provide purchasers and owners of residential housing 30-year fixed-rate loans with reduced down-payments and very low (or below market) interest rates by utilizing loan loss reserves and by buying down interest rates (points). This program is intended to remove the need for private mortgage insurance (PMI) for participating borrowers.

Operational and Programmatic Efficiency Assessment. This program shall consist of the assessment by the City, the Authority and PHDC of agency structures, processes, and technology that impact housing production and preservation within the City to ultimately reduce time for processing applications, permits, and other matters requiring City review, approval or direction and improve customer service for developers, landlords, tenants, homeowners, and Contractors.

Philadelphia Accelerator Fund (Multi-family). This program shall provide funding to be used in the form of loans to developers, ***or other assistance.*** The Philadelphia Accelerator Fund (PAF) provides flexible financing for affordable housing and works to increase access to capital for Philadelphians across the City including historically disadvantaged groups. This program will support the financing of multi-family properties by PAF, or any successor or similar additional entity, and may include, without limitation, mixed income and mixed-use projects.

Philadelphia Accelerator Fund (Turn the Key). This program shall provide funding to be used in the form of loans to borrowers under the Turn the Key Program consistent with its provisions as currently in effect. This program will support the financing of Turn the Key properties by PAF or any successor or similar additional entity.

Philadelphia Eviction Prevention Programs and Right to Counsel. This program shall offer free legal assistance to eligible renters facing eviction, lease termination, or loss of housing subsidies together with services such as financial counseling, a live hotline, a court help center, community trainings, and educational materials.

Purchase and Rehabilitation of Residential Housing Units by Program Intermediaries. This program shall provide funds to be used for grants and/or loans to PIs, the proceeds of which the applicable PI may use for financing (including refinancing (which may be by the purchase of the debt of a PI)) the costs of the purchase and/or rehabilitation, as applicable, of existing, new, or recently constructed/renovated residential housing stock within the City, particularly within areas where levels of supply have lowered prices or within certain price/rent strata. Among other purposes, this program is intended to contribute to the conservation and expansion of housing within the City, an increase in the vitality of neighborhoods, and the revitalization of deteriorated or deteriorating neighborhoods.

Philly First Home (PFH). This program shall provide grants or forgivable loans for first-time homebuyers (or other homebuyers eligible in accordance with existing PFH guidelines) which funds are available to reduce the principal of homebuyer loans and cover down payment and loan closing costs for such homebuyers with household income of up to such percentage of AMI as the City may from time to time determine. Loan forgiveness is generally conditioned upon the homeowner remaining in the home for a specified number of years. If the home is sold prior to the end of the specified period, the loan must be repaid. A waiver may be issued under extenuating circumstances on a case-by-case basis due to factors such as loss of a job, job relocation or illness.

Positive Housing Marketing and Engagement. This program shall identify approaches to increasing community awareness and understanding of opportunities available through the component programs of the H.O.M.E. Plan and related processes through education, outreach, and marketing; and reform of the Registered Community Organization (RCO) process to provide stakeholders with a voice and mechanisms for obtaining information about the H.O.M.E. Plan. An objective of this program is to increase applications to, and participation levels within, various home ownership and other housing programs to maximize the effectiveness of the H.O.M.E. Plan and to ultimately lead to increased levels of affordable and stable housing within the City. A further objective of this program is to provide information to City residents to understand what steps may be taken by the City and others, and what resources may be made available to City residents, to mitigate any disruptions and other costs associated with the implementation of the respective H.O.M.E. component programs.

Purchase Bank Liens. This program is designed to increase the City's land inventory available for housing development through the purchase by the City, the Authority, or PHDC of liens on parcels of land (or the purchase of interests in real estate in order for the City's Land Bank to otherwise obtain such land and associated real property with marketable title) from U.S. Bank National Association (or its applicable affiliates) or from other banks, savings institutions, and financial institutions.

Remove Vacant or Blighted Housing through Demolition. This program will fund removal of blighted and vacant units owned by or in the possession of the City directly (or through arrangements where ownership or possession is with the Authority or PHDC) through demolition. The scope of this program may be supplemented beyond demolition work to include site clearance, environmental remediation, soil stabilization, stormwater management, and related work to cause the applicable parcels to be ready for site preparation work for future development and redevelopment pursuant to other programs and not to deteriorate during any period of time pending such future development or redevelopment.

Rent and Moving Assistance Programs (Fresh Start). This program shall provide rent/security deposits for the benefit of individuals who are in danger of eviction or homelessness. In administering this program, individuals who qualify to be assisted may be supported in maintaining residence at either a current location in the City or establishing residence at some other location in the City if required rentals or other factors associated with the applicable current location are not commercially reasonable, make the prospects of sustaining residence at such location unfavorable, or lead to uneconomical results from the standpoint of maximizing the number of City residents who can benefit from this program.

Rental Improvement Fund (RIF). This program shall offer a loan product to small landlords (30 or fewer units in the portfolio for the particular landlord) to be used for making property repairs/improvements for their rental properties. Loans are eligible for full forgiveness or a preferable 0% interest rate if landlords meet program affordability requirements during the loan term. Subject to such later adjustment of program loan parameters as the City may determine, the loan is for \$10,000-\$24,999 per property (up to \$100,000 per landlord) over 10 years. The loans may be forgiven in such manner as the City determines, if conditions are met. Loan forgiveness may begin at any point during the life of the loan. An increased interest rate may be applied if affordability requirements are not met. For purposes of this program, the categories of eligible repairs and improvements shall include, but not be limited to, repairs/improvements addressing building code or lead-paint issues, and repairs of the same types and character as those funded through BSRP as well as AMP. Loan proceeds may also be used for working capital for costs related to the rental properties of such small landlords incurred in the ordinary course of their business.

Rent-to-Credit Program (Research). *This program will establish the premise for research into programs that would allow renters to build credit with on-time rent payments while protecting them from predatory management practices. This program is intended to lead to lower risk premiums priced into rents and residential real estate loan rates for City residents and ultimately to greater development and utilization of the City's residential real estate and greater market access for City residents.*

Row Home Protection Program. *This program shall pursue the goal of preserving Philadelphia's Row Homes through housing counseling and legal support services made available to renters, landlords and homeowners, provided that no proceeds under this program shall be paid directly to renters, landlords or homeowners. Funds shall be dispersed to third party vendors who administer and provide services related to this program.*

Shallow Rent Assistance, Property Based. This program shall expand the Shallow Rent program to "buy affordability" in market-rate apartment buildings (>80% of AMI).

Shallow Rent Program, Tenant-Based. This program shall provide rental assistance through grants either to landlords or directly to tenants to provide rental payment support for tenants living in affordable housing developments who are low-income or cost burdened (i.e., spending more than 30% of their income on rent) and who are at risk of being evicted.

Tangled Title Fund and Tangled Title. *This program shall provide assistance for tangled title including preventing or clearing tangled title [to clear legal title] to homes for residents earning up to 80% of AMI to cover administrative, legal and other costs that may arise in resolving homeownership issues.*

Targeted Financial Assistance. This program shall offer resources for landlords and tenants in residential rental properties to resolve disputes. Funds under this program may be used to pay limited amounts of back rent and future rent as part of the resolution. This program is intended to enable such parties to avoid costly or prolonged court proceedings.

Turn the Key. This program shall assist Philadelphia families buy new affordable homes and build equity for their futures. Funding for this program shall be applied for loans and program

expenditures consistent with the Turn the Key program as currently in effect, including without limitation, AMI, other eligible buyer, primary residence, and soft mortgage/soft loan/mortgage buy down provisions.

Weatherization. This program shall offer on-site energy audits to evaluate conditions in homes and identify the most cost-effective energy savings measures to implement. This program may fund installation and inspection services for such identified measures.

Will program. *This funding would allow entities to create a wills program that would serve participants in city homeownership programs, by assisting residents to write wills to avoid future tangled title issues.*

EXHIBIT B

FORM OF SERVICE AGREEMENT

SERVICE AGREEMENT
BETWEEN
PHILADELPHIA REDEVELOPMENT AUTHORITY
AND
THE CITY OF PHILADELPHIA, PENNSYLVANIA

Dated as of [_____] 1, 20[___]

TABLE OF CONTENTS

	Page
ARTICLE I DEFINITIONS	3
Section 101. <u>Definitions of Terms</u>	3
ARTICLE II REPRESENTATIONS AND WARRANTIES	4
Section 201. <u>Representations and Warranties of the Authority</u>	4
Section 202. <u>Representations and Warranties of the City</u>	4
ARTICLE III THE H.O.M.E. PLAN	5
Section 301. <u>Funding of the H.O.M.E. Plan</u>	5
Section 302. <u>The H.O.M.E. Plan</u>	5
Section 303. <u>Compliance with Ordinance</u>	5
Section 304. <u>Additional Obligations</u>	5
ARTICLE IV SERVICE FEE	6
Section 401. <u>Service Fee</u>	6
Section 402. <u>No Set-Off</u>	7
Section 403. <u>Prepayment</u>	7
Section 404. <u>Other Payments by City</u>	7
Section 405. <u>Assignment of Service Agreement</u>	7
Section 406. <u>Excess Funds</u>	7
ARTICLE V FURTHER AGREEMENTS	8
Section 501. <u>Compliance with Laws</u>	8
Section 502. <u>Investments</u>	8
Section 503. <u>City to Perform Certain Covenants under Indenture</u>	8
Section 504. <u>Provisions Related to Tax-Exemption</u>	8
Section 505. <u>No Personal Recourse Against Authority; Assumption of Financial Responsibility</u>	8
Section 506. <u>Liabilities of the Trustee</u>	10
Section 507. <u>No Waiver of Immunity</u>	10
Section 508. <u>Non-Competitively Bid Contract Bidding Requirements</u>	10
Section 509. <u>Authority Audits</u>	10
Section 510. <u>Additional Information</u>	11
ARTICLE VI EVENTS OF DEFAULT AND REMEDIES	11
Section 601. <u>Events of Default</u>	11
Section 602. <u>Notice of Defaults; Opportunity to Cure Such Defaults</u>	11
Section 603. <u>Remedies</u>	11
Section 604. <u>No Remedy Exclusive</u>	11
Section 605. <u>No Additional Waiver Implied by One Waiver</u>	12
ARTICLE VII MISCELLANEOUS	12
Section 701. <u>Notices</u>	12
Section 702. <u>Severability</u>	13
Section 703. <u>Redemption of Obligations</u>	13
Section 704. <u>Counterparts; Electronic Signatures</u>	13
Section 705. <u>Benefit of Service Agreement</u>	13
Section 706. <u>Termination</u>	13
Section 707. <u>Governing Law</u>	13
Section 708. <u>Entire Agreement</u>	13
Section 709. <u>Amendments and Supplements</u>	13
Section 710. <u>Limitation on Liability of the Authority</u>	14
Section 711. <u>Construction; Conflict with Ordinance</u>	14

SERVICE AGREEMENT

This Service Agreement made and entered into as of the 1st day of [____], 20[___], between the PHILADELPHIA REDEVELOPMENT AUTHORITY, 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, (the "City") a corporation and body politic, and city of the first class of the Commonwealth of Pennsylvania (the "Commonwealth").

WITNESSETH:

WHEREAS, the Authority is a public body and a body corporate and politic existing under the laws of the Commonwealth and organized pursuant to the Pennsylvania Urban Redevelopment Law, as amended and supplemented (the "Act"); and

WHEREAS, the Authority exists and operates under the Act for the public purposes of the elimination of blighted areas through economically and socially sound redevelopment of such areas, as provided by the Act, in conformity with the comprehensive general plan of the City for residential, recreational, commercial, industrial or other purposes, and otherwise encouraging the provision of healthful homes, a decent living environment and adequate places of employment for the people of the Commonwealth; and

WHEREAS, under the Act and the Redevelopment Cooperation Law (defined below), the Authority has all powers necessary or appropriate to carry out and effectuate the purposes and provisions of the Act and the Redevelopment Cooperation Law including, inter alia, the powers to cooperate with the City and to act as agent for the City for the public purposes set out in the Act; and to issue bonds of the Authority for any of its corporate purposes; and

WHEREAS, the City is authorized by the Pennsylvania Redevelopment Cooperation Law, as amended and supplemented (the "Redevelopment Cooperation Law") to enter into agreements with the Authority respecting action to be taken by the City pursuant to any of the powers granted by the Redevelopment Cooperation Law; to make such appropriations to the Authority as are deemed necessary to assist the Authority in carrying out its public purposes; and to designate the Authority as the City's agent within the Authority's field of operation to perform any specified activity or to administer any specified program which the City is authorized by law to do in furtherance of the public purposes specified in the Act; and

WHEREAS, the City is authorized by law to undertake the H.O.M.E. Plan (as defined below), and the H.O.M.E. Plan furthers the public purposes specified in the Act; and

WHEREAS, programs constituting the H.O.M.E. Plan, to the extent they duplicate social service programs or community development programs of the Commonwealth and the United States, expand such programs; and

WHEREAS, the Authority and the City have determined, in accordance with the Ordinance (hereinafter defined), that: (i) the Authority will, at the direction and with the cooperation of the City, by entering into this Service Agreement, undertake housing production and preservation, home affordability, home owner and renter assistance, related contractor training and support, blight and vacant property reduction, urban beautification, neighborhood infrastructure, and related programs referred to as the "Housing Opportunities Made Easy (H.O.M.E.) Plan" (collectively, the "H.O.M.E. Plan") to improve and enhance housing, assist homeowners and renters, promote the development and supply of contractors for

housing and real property projects within the City that further the purposes of various components of the H.O.M.E. Plan, reduce blight and vacant properties, promote urban beautification, improve and enhance neighborhood infrastructure, improve systems for customer service for homeowners, renters, landlords, and developers for housing matters, and further related purposes within the City in order to encourage the provision of healthful homes and a decent living environment, eliminate blight, preserve critical affordable housing, respond to inadequacies in the supply of residential owner-occupied and rental housing in the City, encourage the provision of adequate places for employment, and promote economic activity to improve the health, welfare and safety of the residents of the City as further described in the Ordinance; (ii) the Authority will issue its revenue bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) to finance or refinance certain costs of the H.O.M.E. Plan and (iii) the City will pay to the Authority the Service Fee described herein; and

WHEREAS, the City Council of the City (the “City Council”), by Ordinance (Bill No. [____]), adopted [____], 20[____], and approved by the Mayor on [____], 20[____] (the “Ordinance”) has: (i) authorized and approved the execution and delivery of this Service Agreement; (ii) approved the issuance from time to time by the Authority of bonds, notes or other evidences of indebtedness (including reimbursement obligations related to lines or letters of credit) in an aggregate principal amount not to exceed the amount described in the Ordinance, plus amounts necessary for costs of issuance, amounts necessary to effect any refunding of Obligations (as defined in the Indenture described below), interest on Obligations and costs of credit or liquidity enhancement, at any one time outstanding, in one or more series, either as taxable or tax-exempt obligations, to finance or refinance certain costs of the H.O.M.E. Plan, interest on the Obligations, costs of credit or liquidity enhancement, amounts necessary to effect any refunding, and the costs of issuing the Obligations; and (iii) authorized and approved the performance by the City of its obligation to pay in full when due the Service Fee (as defined herein) and other amounts payable hereunder; and

WHEREAS, at the request of the City, the Authority has determined to provide financing for certain costs of the H.O.M.E. Plan by issuing the 20[____] Obligations (as defined in the Indenture described below) as Obligations under the Indenture together with costs of issuance of the 20[____] Obligations (together, the “20[____] Project”); and

WHEREAS, the Authority is entering into a trust indenture of even date herewith (as supplemented from time to time in accordance with the terms thereof, the “Indenture”) between the Authority and the Trustee (as defined herein) for the purpose of issuing the Obligations and securing the payment thereof; and

WHEREAS, to secure the payment of the Obligations and any Credit Facility Payment Obligations (as defined in the Indenture), on such basis as is further provided in the Indenture, the Authority will assign to the Trustee all of its right, title and interest in and to this Service Agreement, as amended and supplemented from time to time (except for the Reserved Rights, as defined herein), for the equal and ratable benefit of holders from time to time of Obligations and, to the extent provided in the Indenture, any Credit Issuer (as defined in the Indenture), including the Authority’s right to receive the payments of the Service Fee due from the City 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:

ARTICLE I DEFINITIONS

Section 101. Definitions of Terms. Unless otherwise defined herein, all words and terms defined in the recitals hereto and in Article I of the Indenture shall have the meanings set forth therein and herein. All references herein to the “Debt Service Fund” and the “Revenue Fund” shall mean the Funds so designated which are established with the Trustee pursuant to the Indenture. Capitalized terms used herein and not defined herein shall have the meanings ascribed to such terms in the Indenture. In addition, the following terms shall have the following meanings unless the context otherwise requires:

“**Administrative Expenses**” shall mean the reasonable fees and expenses of the Authority (including the Authority’s closing fee with respect to the 20[] Obligations) and the Trustee and any paying agent, remarketing agent or other fiduciary or agent appointed under the Indenture, including reasonable legal fees and expenses, in connection with the issuance of any Obligations, the administration of the Indenture, the performance of the Authority’s obligations under this Service Agreement, or in connection with inquiring into, or enforcing the performance of, the City’s obligations under this Service Agreement or the Indenture. “Administrative Expenses” do not include annual fees or any other amounts required to be paid by the City to the Authority pursuant to the Intergovernmental Cooperation Agreement, dated [], 20[], between the Authority and the City.

“**Annual Debt Service Requirement**” shall mean, with respect to each Fiscal Year, the sum of the amounts required to be paid by the Authority in such Fiscal Year for (i) the payment of principal and mandatory sinking fund redemption of and interest on, or any other payments with respect to, the Obligations and (ii) the payment of any Credit Facility Payment Obligations.

“**Code**” shall mean the Internal Revenue Code of 1986, as amended, and the applicable Treasury Regulations thereunder, as the same may be amended from time to time. Reference herein to any specific provision of the Code shall be deemed to refer to any successor provision of the Code.

“**Costs**” shall mean all costs of the H.O.M.E. Plan which the City or the Authority is authorized to incur under applicable law (including the Act and the Redevelopment Cooperation Law) and includes Costs of Issuance.

“**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.

“**Reserved Rights**” shall mean the rights of the Authority to receive payments of Administrative Expenses under subsections 404(a) and 404(b) hereof and the rights of the Authority under Sections 505, 507 and 710 hereof, and the right to enforce each of the same.

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

“**Trustee**” shall mean U.S. Bank Trust Company, National Association, as trustee under the Indenture, and its successors as trustee thereunder.

ARTICLE II REPRESENTATIONS AND WARRANTIES

Section 201. Representations and Warranties of the Authority. The Authority hereby represents and warrants as follows:

(a) 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 the transactions contemplated hereby and to carry out its obligations hereunder and has duly authorized the execution and delivery of this Service Agreement, the 20[] Obligations and the Indenture;

(b) the issuance and sale of the 20[] Obligations, the execution and delivery of this Service Agreement and the Indenture 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 in accordance with its terms, are authorized by the Act and the Redevelopment Cooperation Law and have been duly authorized by proceedings of the Authority adopted or passed at meetings thereof duly called and held, and at which a quorum was present and acting at all relevant times;

(c) the H.O.M.E. Plan will further the public purposes of the Act and the Redevelopment Cooperation Law and the purposes for which the Authority was created and continues to exist; and

(d) 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, arrangement or other similar laws or legal or equitable principles affecting creditors' rights generally.

Section 202. Representations and Warranties of the City. The City hereby represents and warrants as follows:

(a) 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 and has duly approved the issuance of the Obligations and the Indenture;

(b) the authorization and undertaking of the H.O.M.E. Plan, the 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, enforceable in accordance with its terms, are authorized by the Philadelphia Home Rule Charter, the Act and the Redevelopment Cooperation Law and have been duly authorized by the Ordinance duly adopted by the City Council and approved by the Mayor;

(c) the programs constituting the H.O.M.E. Plan, to the extent they duplicate social service programs or community development programs of the Commonwealth and the United States, expand such programs;

(d) 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, arrangement or other similar laws or legal or equitable principles affecting creditors' rights generally; and

(e) the Ordinance remains in full force and effect on and as of the date of the delivery of this Service Agreement.

ARTICLE III THE H.O.M.E. PLAN

Section 301. Funding of the H.O.M.E. Plan. Upon the issuance of the 20[] Obligations, the Authority shall cause the proceeds thereof to be deposited in the funds and accounts established under the Indenture as set forth therein. Proceeds of any Additional Obligations shall be applied as set forth in the applicable Supplemental Indenture or in an Authority Certificate approved by the Director of Finance.

Section 302. The H.O.M.E. Plan.

(a) The City and the Authority hereby agree to undertake the H.O.M.E. Plan. In undertaking the H.O.M.E. Plan, the Authority will act at the direction of and with the cooperation of the City. The Authority agrees to cooperate with the City and take all actions which are reasonably necessary to facilitate the H.O.M.E. Plan.

(b) Proceeds of the 20[] Obligations shall be applied to pay or reimburse costs of the 20[] Project in accordance with the Indenture, the Act, the Redevelopment Cooperation Law, and the Ordinance. A Project Fund has been established under the Indenture to hold the proceeds of the 20[] Obligations prior to expenditures on Costs of the 20[] Project. The Authority and the City shall requisition funds from the Project Fund pursuant to the Indenture to pay Costs of the 20[] Project.

(c) In accordance with Section 1746.1 of the Redevelopment Cooperation Law, the City hereby appoints and designates the Authority as the City's agent within the Authority's field of operation to administer such portions of the respective components of the H.O.M.E. Plan as the City may from time to time direct and to perform any element thereof in accordance with the terms of this Service Agreement and any intergovernmental cooperation agreement between the Authority and the City. The Authority hereby accepts the foregoing appointment and designation and, in consideration of the Service Fee, agrees to administer such portions of the respective components of the H.O.M.E. Plan and implement such elements thereof as the City shall from time to time direct. To the extent that the City may utilize other governmental, non-profit and other entities to administer elements of the H.O.M.E. Plan and perform specified activities in connection with the H.O.M.E. Plan, the Authority agrees to cooperate with the City to aid in the oversight, administration and coordination of such activities of such other governmental, non-profit and other entities to the extent directed by the City.

Section 303. Compliance with Ordinance. Notwithstanding any other provision of this Service Agreement to the contrary, no proceeds of any Obligations of any series shall be spent except in accordance with the Ordinance.

Section 304. Additional Obligations. Upon the written request of the Director of Finance of the City, the Authority may issue Additional Obligations to refund Outstanding Obligations and to finance Costs of the H.O.M.E. Plan, including amounts necessary for Costs of Issuance of such Additional

Obligations, costs of credit or liquidity enhancement, and other amounts necessary to effect any refunding and may also incur Credit Facility Payment Obligations. In connection with the issuance of Additional Obligations and any incurrence of Credit Facility Payment Obligations, the Authority and the City shall enter into an appropriate supplement to this Service Agreement, subject to the provisions of the Ordinance, and shall be deemed to reaffirm on and as of the date of the issuance of any Additional Obligations, all of the representations, warranties and covenants of the Authority and the City set forth in this Service Agreement except to the extent otherwise specified in such supplement.

ARTICLE IV SERVICE FEE

Section 401. Service Fee. In consideration of the undertakings by the Authority under this Service Agreement with respect to the H.O.M.E. Plan, the City agrees to pay as a Service Fee in each Fiscal Year directly to the Trustee, as the assignee of the Authority, the following sums:

(a) The Annual Debt Service Requirement for such Fiscal Year, payable as follows:

(i) On the business day immediately preceding the date such amount is required to be paid to the Holders of the Obligations, the amount which is equal to the principal or redemption price of the Obligations becoming due on such principal maturity date or mandatory sinking fund redemption date, subject to credit for other available funds in the manner provided in the Indenture.

(ii) On the business day immediately preceding each Interest Payment Date, the amount which is equal to interest on the Obligations becoming due on such Interest Payment Date, subject to credit for other available funds in the manner provided in the Indenture.

(iii) On the business day immediately preceding the date such amount is required to be paid to the Holders of the Obligations, any other payment due to the Holders of the Obligations becoming due on such date, subject to credit for other available funds in the manner provided in the Indenture.

(iv) On or before the dates specified in any Credit Facility, the amounts which are equal to any Credit Facility Payment Obligations becoming due on such dates, subject to credit for other available funds in the manner provided in the Indenture.

(b) Notwithstanding any other provision of this Service Agreement, an acceleration of the Authority's payment obligations with respect to the Obligations or any Credit Facility Payment Obligation shall not cause an acceleration of the payment of the Service Fee hereunder.

(c) In lieu of all or a portion of the payments due under subsection (a)(i) above, the City, or at its written direction, the Trustee, may purchase for cancellation Obligations of the series and maturity next becoming due at maturity or upon mandatory sinking fund redemption, subject to the applicable requirements set forth in the Indenture.

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 Fiscal Year such balance due in addition to the amount of Service Fee due for such ensuing Fiscal 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.

Section 402. 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, the Trustee, any Holder of the Obligations, any Credit Issuer or any other person.

Section 403. Prepayment. The City shall be permitted, at any time and from time to time, to prepay all or any part of the amounts payable under Section 401 hereof together with such other amounts as shall be sufficient to redeem or otherwise pay all or a portion of the Obligations of any series in accordance with the provisions of the Indenture.

Section 404. Other Payments by City. The City shall make the following payments:

(a) the Authority's Administrative Expenses incurred at closing of the 20[] Obligations and from time to time with respect to any Obligations; and

(b) directly to the Trustee, on behalf of the Authority, upon invoice therefor, the Administrative Expenses of the Trustee as provided in Section [10.04] of the Indenture.

The Administrative Expenses shall be payable only out of the proceeds of the Obligations or the current revenues of the City, and the City agrees to provide for the payment of the Administrative Expenses and include the same in its annual operating budget for each Fiscal Year to the extent not otherwise provided for. If the current revenues are insufficient to pay the total Administrative Expenses in any Fiscal Year as the same become 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 Fiscal Year such balance due in addition to the amount of Administrative Expenses due for such ensuing Fiscal 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 Administrative Expense payments due and payable hereunder in each of the City's Fiscal Years.

Section 405. Assignment of Service Agreement. The Authority hereby notifies the City that all the Authority's right, title and interest in and to this Service Agreement, including its rights to receive the above payments (except for the Reserved Rights), shall be irrevocably assigned by the Authority to the Trustee as security for the Obligations and Credit Facility Payment Obligations, as provided in the Indenture, and in furtherance of said assignment the Authority hereby irrevocably assigns all payments by the City hereunder (except for the Reserved Rights) to the Trustee for deposit or application in accordance with this Service Agreement and the Indenture. The City hereby consents to such assignment. The Authority consents to the payment by the City of, and directs the City to pay, all such assigned amounts directly to the Trustee.

Section 406. Excess Funds. After all of the Obligations and Credit Facility Payment Obligations have been paid or payment thereof has been provided for and all interest and applicable premium, if any, due thereon and all other amounts required to be paid under the Indenture have been paid or provision for such retirement and payment has been made in accordance with the Indenture, excess moneys in the funds

and accounts established under the Indenture from whatever source derived will be paid to the City. This paragraph shall survive the termination of this Service Agreement.

ARTICLE V FURTHER AGREEMENTS

Section 501. 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 H.O.M.E. Plan, 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.

Section 502. Investments. The City and the Authority agree that all moneys in any fund or account established by the Indenture may be invested in such Investment Securities as the City may direct in writing, as provided in the Indenture.

Section 503. City to Perform Certain Covenants under Indenture. The City acknowledges that it has received an executed copy of the Indenture, and that it is familiar with its provisions, and agrees to be bound to the fullest extent permitted by law to all provisions thereof directly or indirectly relating to it, and that, in consideration of the service of the Authority rendered to the City under this Service Agreement, it will take all such actions as are required of it under the Indenture to preserve and protect the rights of the Trustee, the Holders of the Obligations and Credit Issuers thereunder and that it will not take or effect any action which would cause a default thereunder or impair such rights. The City hereby assumes and agrees to perform all of the covenants and other obligations of the Authority under the Indenture, excepting only any approvals or consents required to be given by the Authority thereunder, and those covenants contained in the Indenture which are not within the control of the City.

Section 504. Provisions Related to Tax-Exemption. Each of the City and the Authority covenants that it, with respect to any Obligations which are initially issued with the expectation that the interest thereon will be federally tax-exempt: (i) will neither make nor instruct the Trustee to make any investment or other use of the proceeds of the Obligations, the interest on which is intended to be excludable from gross income of the Holders thereof for federal income tax purposes, which would cause such Obligations to be "arbitrage bonds" (as defined in Section 148(a) of the Code); (ii) will comply with the requirements of the Code throughout the term of such Obligations so that the interest on such Obligations shall be excludable from gross income for federal income tax purposes; and (iii) will not apply the proceeds of such Obligations in such a manner as would result in the loss of the exclusion of interest on such Obligations from gross income of the Holders for federal income tax purposes. The City further covenants that it will calculate and pay directly to the United States the amount of arbitrage rebate with respect to any such Obligation payable to the United States Treasury under the Code. The Authority agrees to cooperate with the City's undertaking to comply with the arbitrage rebate rules.

Section 505. No Personal Recourse Against Authority; Assumption of Financial Responsibility.

(a) In the exercise of the power of the Authority and its members, officers, employees and agents under this Service Agreement or the Indenture 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 with respect to the issuance of Obligations except actions constituting bad faith, willful misconduct, gross

negligence, fraud or deceit of the Authority or of any member, officer, employee or agent of the Authority. 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 or on the Indenture or based on the Authority's issuance of Obligations.

(b) 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 and the Redevelopment Cooperation Law, the City, but only from current revenues of 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, the Indenture or any other documents executed by the Authority in connection with the transactions contemplated in connection with the issuance of Obligations, 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, the Indenture or any other documents executed by the Authority in connection with the transactions contemplated thereby; except in each case to the extent that the Claims and Losses are attributable to the willful misconduct, gross negligence, bad faith, fraud or deceit of any such Indemnified Party; provided, however, that the City's liability hereunder shall not extend to any Claims and Losses attributable to the Authority's ongoing administration of the H.O.M.E. Plan.

(c) 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.

(d) 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, the Indenture or any of the documents involved in the issuance of the Obligations, 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 or the Trustee shall not under any circumstances be deemed to constitute willful misconduct, bad faith, gross negligence, fraud, or deceit.

(e) The City shall not be obligated under paragraphs (b), (c) or (d) above unless the Indemnified Party has given the City prompt and timely notice of matters contemplated by paragraphs (b), (c) or (d) above; provided however, the failure to so notify the City will not relieve the City from any obligation under paragraphs (b), (c), or (d) above 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 arising from such Indemnified Party's willful misconduct, bad faith, gross negligence, fraud or deceit.

Section 506. Liabilities of the Trustee. To the extent authorized by applicable law, the City shall at all times assume complete financial responsibility for all liabilities, losses, claims, causes of action and reasonable costs and expenses (including, without limitation, reasonable attorneys' fees and expenses, including the actual and reasonable allocated costs and expenses of in-house counsel) incurred by, imposed upon or asserted against the Trustee, including its officers, directors, employees and agents, or any of them, for following any instruction or direction upon which the Trustee is authorized to rely pursuant to the terms of this Service Agreement, the Indenture, the Obligations or any Credit Facility Payment Obligations, or which arise on account of or result from any actions taken or omitted to be taken by the Trustee, except as a result of its or their gross negligence or willful misconduct, relating to or arising out of this Service Agreement, the Indenture, the Obligations or any Credit Facility Payment Obligations. Any provisions governing the rights, immunities and protections of the Trustee under the Indenture are incorporated by reference into this Service Agreement as being applied to the Trustee as though fully set forth herein.

Section 507. 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.

Section 508. 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 provisions of Subsections 17-1402(1)(a) and (1)(c) shall not be deemed to apply to contracts between the Authority and a not-for-profit entity.

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 Director of Finance; and any approvals required to be performed by the Mayor shall be performed by the Authority by its Board Chair.

Section 509. Authority Audits. The Authority shall furnish to the City, upon request, a copy of its annual audited financial statements, and, if requested, shall permit any duly authorized representative of the City, including but not limited to the City Controller, to make reasonable examinations of its accounts and records relating to the H.O.M.E. Plan, the 20[] Project, this Service Agreement and the Indenture, including permitting the City Controller to audit its affairs as authorized in Section 6-400 of the Philadelphia Home Rule Charter during the term of this Service Agreement.

Section 510. Financial Management. The City Controller's office will conduct reviews of contracts, pre-audit reviews of expenditures, and audit H.O.M.E.-related expenditures. The City Controller will also have the right to observe invoicing vendors during H.O.M.E. construction activities, provided that such observation does not unreasonably interfere with the construction process. See Exhibit C.

~~[Section 510]~~ **Section 511.** Additional Information. The City agrees, whenever reasonably requested by the Authority, to provide and certify or cause to be provided and certified such information concerning the H.O.M.E. Plan and the City as the Authority reasonably considers necessary to enable it to make any reports or supply any information required under the provisions of the Indenture, applicable law or governmental regulation, or otherwise.

ARTICLE VI EVENTS OF DEFAULT AND REMEDIES

Section 601. Events of Default. Each of the following shall constitute an Event of Default hereunder:

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

(b) 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

(c) 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).

Section 602. 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 or the Trustee 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.

Section 603. Remedies. If any Event of Default shall occur and be continuing, the Authority (or the Trustee as assignee of 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 Obligations or with respect to any Credit Facility Payment Obligation) shall the due dates for payments of the Service Fee hereunder be accelerated.

Section 604. 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 or the Trustee 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.

Section 605. 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.

ARTICLE VII MISCELLANEOUS

Section 701. Notices.

(a) Except as otherwise permitted herein and in the Indenture, 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:

- (i) if to the Authority:
Philadelphia Redevelopment Authority
1234 Market Street, 16th Floor
Philadelphia, PA 19107
Attention: Board Chair

With a copy to:

Philadelphia Redevelopment Authority
1234 Market Street, 16th Floor
Philadelphia, PA 19017
Attention: General Counsel

- (ii) 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 a copy to:

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

(iii) if to the Trustee:

U.S. Bank Trust Company, National Association
1735 Market Street, 43rd Floor
Mail Station EX-PA-WBSP
Philadelphia, PA 19103
Attention: Global Corporate Trust

Section 702. 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.

Section 703. Redemption of Obligations. The Authority, at the written direction of the City, at any time the aggregate moneys in the funds or accounts created under the Indenture are sufficient to effect such redemption in whole or in part, and if the same are then redeemable under the provisions of the Indenture, shall forthwith take steps that may be necessary under the applicable provisions of the Indenture to effect redemption of all or as many of the then Outstanding Obligations on such redemption date as may be specified in writing by the City.

Section 704. Counterparts; Electronic Signatures. 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. The parties to this Service Agreement acknowledge that any party may execute this Service Agreement pursuant to digital or electronic means. Notwithstanding any time stamp accompanying a digital or electronic signature indicating an earlier time, this Service Agreement shall be effective upon the delivery of the 20[] Obligations through The Depository Trust Company.

Section 705. 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 Trustee for the benefit of the Holders from time to time of all Obligations issued and Outstanding under the Indenture and any Credit Issuers secured pursuant to the Indenture, and to the Trustee for its own benefit.

Section 706. Termination. This Service Agreement shall terminate on such date as the principal of and interest on, and any other payments due with respect to, all Obligations and all other amounts required under the Indenture to be paid and all other expenses payable by the City hereunder shall have been paid (or provision for such payment shall have been made as provided in the Indenture) and all other conditions of this Service Agreement and the Indenture shall have been fully satisfied. Notwithstanding the foregoing, the City's obligations under Sections 505 and 506 hereof shall survive any such termination.

Section 707. Governing Law. This Service Agreement shall be governed by, and construed in accordance with, the substantive laws of the Commonwealth.

Section 708. 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.

Section 709. Amendments and Supplements.

(a) The parties hereto from time to time may enter into any written amendments or supplements hereto (which thereafter shall form a part hereof) as shall not adversely affect the rights of or the security of the Holders of the Obligations, only for the following purposes: (i) to cure any ambiguity, defect, or inconsistency or omission herein or in any amendment hereto; (ii) to grant to or confer upon the Authority or the Trustee any additional rights, remedies, powers, authority or security that lawfully may be granted to or conferred upon the Authority or the Trustee; (iii) to reflect a change in applicable law; (iv) as appropriate in connection with the issuance of Additional Obligations; or (v) to provide terms not inconsistent with the Indenture or this Service Agreement; provided, however, that this Service Agreement as so amended or supplemented shall provide at least the same security for Holders of the Obligations as the Service Agreement in this form.

(b) All other amendments must be approved by the Trustee and, to the extent required by the Indenture, by the Holders of the Obligations, in the manner as is set forth in Section [11.05] of the Indenture.

(c) Any amendment or supplement to this Service Agreement (other than an amendment or supplement pursuant to Section 709(a)(i) through (v) hereof) shall be approved by ordinance of the City Council and a copy of any such amendment or supplement, together with a copy of such ordinance, certified by the Clerk of the City Council, shall be filed with the Trustee.

Section 710. 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, including without limitation in respect of general liability for repayment of the Obligations or Credit Facility Payment Obligations; 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.

Section 711. 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 REDEVELOPMENT AUTHORITY

By: _____
Name:
Title:

THE CITY OF PHILADELPHIA, PENNSYLVANIA

By: _____
Name:
Title:

EXHIBIT C

CITY CONTROLLER INVOLVEMENT

BACKGROUND

- A. The City of Philadelphia (City) desires to support the Housing Opportunities Made Easy (H.O.M.E.) Plan which includes housing production and preservation, home affordability, homeowner and renter assistance, related contractor training and support, blight and vacant property reduction, urban beautification, neighborhood infrastructure, and other related programs;***
- B. The Philadelphia Redevelopment Authority (“the Authority”) has entered into an Inter-Governmental Cooperation Agreement (the “IGA”), dated XXXXXX with the City in order for the Authority to, among other functions, disburse certain funds for the Plan.***
- C. The funds to be administered by the Authority (collectively, the “H.O.M.E. Plan Program Funds”) include (i) the proceeds of bonds issued by the Authority in connection with the execution and delivery of a service agreement authorized by the City Council of the City of Philadelphia by Ordinance (Bill No. 250568) (the “Bond Funds”); (ii) capital funds granted by the City to the Authority for the plan; (iii) certain funds granted from a donor advised fund; and (iv) any other funds available for the plan that are given to the Authority.***
- D. The Bond Funds are subject to and made available pursuant to a Trust Indenture (the “Indenture”) between the Authority and the bond trustee (the “Trustee”).***
- E. Under the Indenture, the City and the Authority must execute and deliver to the Trustee one or more requisitions with appropriate back-up documentation (each, a “Requisition”) in order to cause the costs of the plan to be paid. The requesting agencies and the Controller's Office must each sign each Requisition.***
- F. Each Requisition will contain one or more requests for payment to be funded with Bond Funds (each, a “H.O.M.E. Payment Request”) submitted by Project Users (as that term is defined in the IGA), the Philadelphia Redevelopment Authority, and/or the City.***

NOW, THEREFORE, the City, the Authority and the Office of the City Controller (Controller’s Office) agree to the following:

1. Purpose of the Exhibit

The purpose of Exhibit C is to establish a process for the City, the Authority, and the Controller's Office to follow in order to ensure that the Controller's Office is able to monitor all debt issuance granted under Ordinance 250568, given notice of upcoming Project Bids along with a recap of past bids and the vendor selected, and each Requisition is signed and submitted for payment as efficiently and quickly as practicable, with the goal that contractors working on H.O.M.E. Plan projects are paid within the timelines established under the plan.

2. Scope

(a) Home Rule Charter Section 6-400. Nothing in this Exhibit affects the powers of the Controller's Office under Section 6-400 of the Philadelphia Home Rule Charter (the "Charter"), including the Controller's Office's right to perform certain duties and audits. The undersigned acknowledge that, in addition to the Controller's Office's role as signatory to the Requisitions, under the Charter and the IGA, the Controller's Office will continue to examine and approve or disapprove disbursement requisitions for the payments of money out of the City Treasury and that the Controller's Office may inspect and audit the affairs of the Authority to the extent permitted under Section 6-400 of the Home Rule Charter.

(b) Indenture. Nothing in this Exhibit affects the powers of the Controller's Office under the Indenture. To the extent that any conflict exists between this Exhibit and the Indenture, the Indenture takes precedence.

3. Process for Submission of All Documents related to the H.O.M.E Plan

For Requisitions to be submitted to the Trustee, the requesting agency, the Controller's Office and the Authority shall follow the steps set forth below in Schedule A.

4. Cooperation

While the process described in this Exhibit is in effect, the agency submitting requisitions, the Controller's Office and the Authority agree to use their best efforts to resolve any disputes that arise in relation to any term, condition, or provision of this Exhibit by informal negotiation and cooperation. Thereafter, the Authority and the Controller's Office shall nevertheless continue to cooperate with each other for the duration of the plan.

[Remainder of this page intentionally left blank; signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed and delivered this Inter-Governmental Cooperation Agreement all as on the day and year first above mentioned.

**PHILADELPHIA REDEVELOPMENT
AUTHORITY**

By: _____
Name:
Title:

**THE CITY OF PHILADELPHIA,
PENNSYLVANIA**

By: _____
Name:
Title:

Schedule A

Process for Monitoring Debt Issuance

When the Philadelphia Redevelopment Authority (“the Authority”) plans to issue Debt to support the initiatives outlined in Ordinance 250568, the Authority and City Treasurer will invite the City Controller to all working group calls and share all documents related to the transactions.

Process for Submission of Bid Documentation

- 1. Each month, a list of bid openings for the following week will be supplied to the Controller’s Office.*
- 2. Each month, a list of vendors who have been selected from the previous week’s bid openings will be supplied to the Controller’s Office.*
- 3. Each month, a list of newly conformed contracts will be sent to the Controller’s Office*

Process for Submission of Requisitions to the Trustee

- 1. The requesting entity will submit each Requisition to the Controller’s Office in accordance with the following:*
 - a. Requisitions will be submitted in sequential, numbered order;*
 - b. Each Requisition will be submitted with original signatures of the approved signers for that agency;*
 - c. Each Requisition will include (if applicable) a summary of the documentation being submitted as back-up to the Requisition and a table including the following information:*

<i>i. H.O.M.E. Plan Project Statement budget category</i>
<i>ii. Name of entity or entities to be paid under the Requisition</i>
<i>iii. H.O.M.E. Plan Payment Request amount</i>
<i>iv. Total Requisition amount</i>
<i>v. All invoices</i>
<i>vi. Any other related materials required</i>
 - d. Upon receipt of a completed Requisition, if the Controller's Office has any questions during the review period about a Requisition or any documentation submitted as back-up to the Requisition, the Controller's Office will promptly contact the requesting agency via email, for clarification. The Controller's Office, the requesting agency and the Authority will work cooperatively toward resolution of any questions raised by the Controller's Office.*

2. *The Controller's Office will make its best efforts to promptly do one of the following from the date the Controller's Office receives the Requisition (the "Requisition Submission Date"):*

- a. *Complete its review and approval of the Requisition, sign the Requisition, and deliver the fully-signed Requisition to the requesting agency for submission to the Authority;*

or

Complete its review of the Requisition and, if necessary, deny the Requisition, in whole or in part, and set forth to the requesting agency in writing, via email, which part(s) are rejected and why. Denial of a requisition shall be based solely on a determination (1) that requisition falls outside of the scope of programs set forth in Bill No. 250568; or (2) the requisition does not satisfy contractual or legal requirements for authorization of payment.

3. *Upon rejection of a Requisition in whole or in part, the following will occur within three (3) days of the Controller Office's rejection:*

- a. *The requesting agency will either (i) respond in writing, via email, to the objections raised by the Controller's Office in an attempt to resolve the issue or (ii), in order to avoid further delay of payment of the non-objectionable portions of the Requisition, revise the Requisition to remove the objectionable portion(s) and resubmit the revised Requisition to the Controller's Office.*
- b. *If the requesting agency exercises option (3)(a)(i) above, the submitting agency and the Controller's Office will work diligently to resolve, within no more than three (3) days after the submitting agency's response, concerns about the objectionable portions of the Requisition.*
- c. *If the requesting agency exercises option (3)(a)(ii) above, the Controller's Office will promptly sign the revised Requisition and deliver the fully-signed Requisition to the Authority for submission to the Trustee. If the requesting agency so chooses, the withdrawn portion of the Requisition will be resubmitted in a new Requisition at a later date.*