

In the opinion of Bond Counsel, assuming continuing compliance by the Commonwealth with the requirements of the Internal Revenue Code of 1986, as amended (the "Code"), and all regulations applicable thereunder, and subject to the conditions described in "TAX MATTERS" herein, the portions of the Semi-Annual Payments denominated and paid to the owners of the 2018A Certificates as interest are excludable from gross income for federal income tax purposes and are exempt from the individual federal alternative minimum tax. However, such interest is taken into account in determining adjusted current earnings for the purpose of computing the alternative minimum tax imposed on certain corporations (as defined in the Code) for taxable years that began prior to January 1, 2018. Other provisions of the Code may affect the purchasers of the 2018A Certificates. See "TAX MATTERS" herein.

Bond Counsel is also of the opinion that under the laws of the Commonwealth of Pennsylvania as presently enacted and construed, the 2018A Certificates are exempt from personal property taxes in the Commonwealth of Pennsylvania, and the portions of the Semi-Annual Payments denominated and paid to the owners of the 2018A Certificates as interest are exempt from Pennsylvania personal income tax and Pennsylvania corporate net income tax. See "TAX MATTERS" herein.

\$201,115,000

CERTIFICATES OF PARTICIPATION, SERIES A OF 2018
Evidencing the Proportionate Interests of the Owners thereof in Payments
to be made to Municipal Real Estate Funding, LLC by the
COMMONWEALTH OF PENNSYLVANIA
(ACTING BY AND THROUGH ITS DEPARTMENT OF GENERAL SERVICES)

Dated: Date of Delivery

Due: January 1 and July 1

The \$201,115,000 Certificates of Participation, Series A of 2018 (the "2018A Certificates") evidence proportionate interests in the rights to receive certain amounts payable by the Commonwealth of Pennsylvania, acting by and through its Department of General Services ("DGS"), pursuant to a Financing Agreement dated January 30, 2018 (the "Agreement") with Municipal Real Estate Funding, LLC, a Pennsylvania limited liability company ("MRE Funding"), as described herein. The 2018A Certificates will be executed and delivered pursuant to an Escrow Agreement dated as of January 30, 2018 (the "Original Escrow Agreement") between MRE Funding and Wilmington Trust, National Association, Harrisburg, Pennsylvania (the "Escrow Agent"), as acknowledged by DGS and the Commonwealth's Office of the Budget (the "Budget Office"), as amended by the First Amendment to Escrow Agreement dated as of April 26, 2018 between MRE Funding and the Escrow Agent, as acknowledged by DGS and the Budget Office (the "First Amendment," and together with the Original Escrow Agreement, the "Escrow Agreement").

The proceeds of the sale of the 2018A Certificates will be used to (1) refund the outstanding \$201,345,000 Certificates of Participation, Series of 2018 Evidencing the Undivided Sole Interest of the Owner thereof in Payments to be made by the Commonwealth of Pennsylvania (acting by and through the Department of General Services) (the "Prior Certificates"), (2) provide for capitalized interest on the 2018A Certificates through and including July 1, 2019, and (3) pay the Delivery Costs (as defined in the Escrow Agreement) for the 2018A Certificates, all as described herein.

The 2018A Certificates will be in fully registered book entry only form and will be registered initially in the name of Cede & Co., as nominee of The Depository Trust Company ("DTC"), the securities depository for the 2018A Certificates. Beneficial ownership interests in the 2018A Certificates, in denominations of \$5,000 or integral multiples thereof, may be purchased by or through participants in the DTC system. Beneficial Ownership interests will be governed as to the receipt of payments, notices and other communications, transfers and various other matters with respect to the 2018A Certificates by the rules and operating procedures applicable to the DTC book-entry system, as described herein.

The 2018A Certificates will bear interest at the rates per annum specified on the inside cover page hereof payable on July 1, 2018, and semiannually thereafter on each January 1 and July 1, and will mature on the dates specified on the inside cover page hereof, subject to redemption prior to maturity as described herein.

Maturity Schedule on Inside Cover Page

The 2018A Certificates are payable (except as otherwise described herein) solely from the Revenues pledged thereto under the Escrow Agreement, consisting of (a) the amounts required to be paid by the Commonwealth's Department of General Services ("DGS") pursuant to Section 4 of the Agreement ("Semi-Annual Payments"), (b) all other moneys received or to be received by the Escrow Agent pursuant to the Agreement, including without limitation, all moneys and investments in the Certificate Fund established by the Escrow Agreement (except for any money in, or required to be deposited in the Rebate Fund established under the Escrow Agreement), (c) any moneys and investments in the "Clearing Fund" established under the Escrow Agreement, and (d) all income and profit from the investment of the foregoing moneys, except for any investment income that is required to be rebated to the United States of America in order to continue the exclusion from gross income for federal income tax purposes of the portion of each Semi-Annual Payment made by DGS under the Agreement and denominated as and comprising interest pursuant to the Agreement. **Neither the Agreement, the 2018A Certificates nor the obligation of the DGS to pay required payments under the Agreement constitutes a general obligation or other indebtedness of the Commonwealth, or obligates the Commonwealth to make any payments under the Agreement beyond those appropriated for the current fiscal year of the Commonwealth in which the Agreement is in effect. The General Assembly of the Commonwealth may choose not to appropriate funds to DGS necessary to make Semi-Annual Payments and thereby terminate its obligations under the Agreement, as described herein. The Semi-Annual Payments are not secured by a pledge by the Commonwealth (or by any political subdivision thereof) or the Commonwealth's full faith, credit or taxing power.**

This cover page is not a summary of the issue. Prospective investors should read this Official Statement in its entirety to make an informed investment decision, giving particular attention to the section entitled "RISKS AND OTHER INVESTMENT CONSIDERATIONS."

The 2018A Certificates are offered when, as and if executed and delivered by the Escrow Agent, subject to the approval of validity and other matters by Special Counsel to MRE Funding and Bond Counsel, McNeese Wallace & Nurick LLC, Lancaster, Pennsylvania. Certain additional Commonwealth law matters incident to the Agreement will also be passed upon by the Office of the Chief Counsel of the Pennsylvania Department of General Services and the Office of the Chief Counsel of the Pennsylvania Office of the Budget, Harrisburg, Pennsylvania. Stevens & Lee P.C., Reading, Pennsylvania, is serving as counsel to the Escrow Agent. Saul Ewing Arnstein & Lehr LLP, Harrisburg and Philadelphia, Pennsylvania is serving as counsel to the Underwriter. Delivery of the 2018A Certificates is expected on or about April 26, 2018.



RBC Capital Markets[®]

\$201,115,000
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Evidencing the Proportionate Interests of the Owners thereof in Payments
to be made to Municipal Real Estate Funding, LLC by the
COMMONWEALTH OF PENNSYLVANIA
(ACTING BY AND THROUGH ITS DEPARTMENT OF GENERAL SERVICES)

Due: July 1, as shown below.

Maturity Schedule

Maturity July 1	Principal Amount	Interest Rate	Yield	CUSIP® No.*
2020	\$3,745,000	5.000%	2.280%	709144 ND7
2021	3,935,000	5.000%	2.430%	709144 NE5
2022	4,130,000	5.000%	2.560%	709144 NF2
2023	4,335,000	5.000%	2.700%	709144 NG0
2024	4,555,000	5.000%	2.820%	709144 NH8
2025	4,780,000	5.000%	3.000%	709144 NJ4
2026	5,020,000	5.000%	3.130%	709144 NK1
2027	5,270,000	5.000%	3.230%	709144 NL9
2028	5,535,000	5.000%	3.290%	709144 NM7
2029	5,810,000	5.000%	3.360%	709144 NN5
2030	6,105,000	5.000%	3.410%	709144 NP0
2031	6,410,000	5.000%	3.460%	709144 NQ8
2032	6,730,000	3.625%	3.770%	709144 NR6
2033	6,970,000	3.750%	3.830%	709144 NS4
2034	7,235,000	5.000%	3.650%	709144 NT2
2035	7,595,000	5.000%	3.710%	709144 NU9
2036	7,975,000	5.000%	3.760%	709144 NV7
2037	8,375,000	5.000%	3.790%	709144 NW5
2038	8,795,000	5.000%	3.800%	709144 NX3
2043	51,025,000	5.000%	3.810%	709144 PA1
2046	36,785,000	4.000%	4.070%	709144 PB9

*Registered trademark of American Bankers Association. CUSIP data herein is provided by a company unaffiliated with MRE Funding. The CUSIP numbers listed above are being provided solely for the convenience of Owners only at the time of issuance of the 2018A Certificates and neither MRE Funding, the Commonwealth, the Escrow Agent nor the Underwriter make any representation with respect to such numbers or undertake any responsibility for their accuracy now or at any time in the future. The CUSIP number for a specific maturity is subject to being changed after the issuance of the 2018A Certificates as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the 2018A Certificates.

* * *

FINANCING AGREEMENT

This Financing Agreement ("Agreement") is dated January 30, 2018 and is entered into by and between the Commonwealth of Pennsylvania (the "Commonwealth"), acting by and through the Department of General Services ("DGS"); and Municipal Real Estate Funding, LLC ("MRE Funding"), with its primary offices located at 120 North Pointe Boulevard, Suite 203, Lancaster, PA 17601.

WHEREAS, DGS owns and maintains in the name of the Commonwealth all Commonwealth-owned real estate;

WHEREAS, by the Act of April 9, 1929, P.L. 177, as amended, 71 P.S. § 631.1(15), DGS is authorized and empowered to enter into contracts of all kinds and to execute all instruments necessary or convenient for carrying on its operations;

WHEREAS, by the Act of April 9, 1929, P.L. 177, as amended, 71 P.S. § 631.1(17), DGS is authorized and empowered to accept grants-in-aid, gifts, donations, legacies or usages of money made or extended by individuals, organizations, public or private corporations, departments or instrumentalities of the Commonwealth, or the Federal Government, and to return money advanced for its usage not otherwise required for its purposes;

WHEREAS, by the Act of April 9, 1929, P.L. 177, as amended, 71 P.S. § 631.1(20), DGS is authorized and empowered to do all acts and things necessary or convenient to carry out the powers granted to it by this act or any other acts, including but not limited to the issuance of general regulations implementing the act;

WHEREAS, as required under 72 P.S. § 302(8), the revenue received by DGS pursuant to this Agreement will be deposited in the General Fund and will be used to provide funding sufficient to pay DGS's operational

expenses (including lease rental, municipal, and utility costs), agricultural extension services payments, state food purchase program costs, and other agricultural operation costs in Fiscal Year 2017-18;

WHEREAS, on October 13, 2017, the Commonwealth acting through DGS issued a Request for Proposals to enter into a financing transaction related to the Pennsylvania Farm Show Complex & Expo Center, 2300 North Cameron Street, Harrisburg, PA 17110 (the "Premises"), RFP No. 6100043528 (the "RFP");

WHEREAS, on November 13, 2017, Blackford Ventures, LLC ("Blackford") submitted a proposal in response to the RFP;

WHEREAS, DGS determined that Blackford's proposal was the most advantageous to the Commonwealth after taking into consideration all of the evaluation factors set forth in the RFP, and selected Blackford for contract negotiations;

WHEREAS, Blackford subsequently caused the formation of MRE Funding to act as the party to this Agreement and other relevant agreements relative to the transactions described in this Agreement;

WHEREAS, MRE Funding and DGS, following consultation with their respective advisors and in accordance with the RFP have negotiated this Agreement setting forth their respective rights and responsibilities in connection with the financing of the Premises; and

WHEREAS, the parties are entering into this Agreement as the final and entire agreement regarding a transaction between the parties in connection with the Premises.

NOW THEREFORE, intending to be legally bound hereby, DGS and MRE Funding agree to the following terms and conditions:

1. Term. The term of this Agreement shall commence on the latest date set forth on the signature page hereto, that date being the date on which all required signatories have affixed their signatures to this Agreement ("Effective Date") and shall remain in effect for twenty-nine (29) years ("Term").
2. Escrow Agreement; Assignment. To assure the availability of monies due the parties hereunder, MRE Funding and Wilmington Trust, National Association, as escrow agent ("Escrow Agent"), have at the request of DGS entered into an Escrow Agreement dated as of January 30, 2018 (the "Escrow Agreement"). Pursuant to and in accordance with the Escrow Agreement, MRE Funding has caused the deposit in the Clearing Fund established and maintained with the Escrow Agent an amount sufficient to make the Payment described in Section 3 hereof. Pursuant to the Escrow Agreement, such amount shall be applied by the Escrow Agent to make the Payment described in Section 3 hereof and to pay the Costs of Issuance described in Section 12 hereof.

DGS acknowledges and agrees that MRE Funding may assign its right title and interest in this Agreement (including its right to receive the Semi-Annual Payments from DGS under Section 4) to the Escrow Agent or other financial institution to the extent determined to be necessary by MRE Funding to secure its obligations under the Escrow Agreement and to otherwise effectuate the making of the deposit to the Clearing Fund. Such permitted assignments include, but are not limited to, an assignment of this Agreement in connection with an Interim Financing or Permanent Financing as set forth in Section 9 hereof (each, an "Assignment").
3. MRE Funding's Payment to DGS. In consideration of the recitals and the undertakings of DGS as set forth in this Agreement, MRE Funding shall make a one-time, lump-sum net payment in the amount of Two Hundred Million Dollars (\$200,000,000.00) to the Commonwealth ("Payment") by causing the Escrow Agent to transfer such amount to the Commonwealth from funds on deposit in the Clearing Fund.
4. DGS's Payment to MRE Funding.
 - a. In consideration for the Payment, DGS shall pay to MRE Funding semi-annual payments on the last day of June and the last day of December during each fiscal year of this Agreement, each payment

consisting of the amounts set forth on the twenty-nine (29) year amortization schedule in Exhibit A ("Semi-Annual Payments"). Interest shall accrue on the principal amount payable by the DGS hereunder at the rates described or set forth in Exhibit A. If any Semi-Annual Payment or other sums owed by DGS hereunder are not paid when due, interest will accrue on the amounts payable by DGS hereunder as described in Exhibit A.

- b. Except as otherwise provided in Section 5, DGS's obligation to make the Semi-Annual Payments shall commence on the date that the Payment is transferred to the Commonwealth in accordance with Section 3 hereof and shall be absolute and unconditional in all events except as expressly provided in this Section 4. Notwithstanding any dispute between DGS and MRE Funding or any other person, DGS shall make all Semi-Annual Payments when due and shall not withhold any Semi-Annual Payments, or portions thereof, except as otherwise provided below. All Semi-Annual Payments made by DGS hereunder shall be made directly to the Escrow Agent to be applied as provided in the Escrow Agreement. DGS covenants it will not assert any right to setoff, counterclaim, abatement, or recoupment for any reason whatsoever. MRE Funding agrees that, prior to the effective date of the Assignment, DGS may set off the amount of any state tax liability or other obligation of MRE Funding or its subsidiaries to the Commonwealth against any payments due MRE Funding under this Agreement provided, however, that after the effective date of the Assignment no such set off shall be permitted.
- c. DGS and the Secretary of the Budget reasonably believe that sufficient funds can be appropriated to DGS by the General Assembly to make all payments owed during the Term. DGS hereby covenants, and the Secretary of the Budget hereby acknowledges, that they will do all things lawfully within their power to obtain, maintain, and properly request and pursue funds from which DGS may make such Semi-Annual Payments, including making provisions for such payments to the extent necessary in each budget submitted for the purpose of obtaining funding, using their bona fide best efforts to have such portion of the budget approved.
- d. It is DGS's intent, and it hereby agrees, to make Semi-Annual Payments for the full Term if funds are legally available therefor and

in that regard DGS represents that the execution of this Agreement is essential to its proper, efficient, and economic operation.

- e. The Semi-Annual Payments will be capitalized for the first year with no principal or interest due for the 2018-2019 fiscal year. DGS's Semi-Annual Payments shall commence with the payment due December 2019. In the event that an Interim Financing under Section 9 is used which calls for payments on dates which differ from those described above, the parties shall agree to revise the payment dates and amounts payable by DGS hereunder as needed to accommodate the terms of the Interim Financing.
5. Security; Nonappropriation of Funds. The Semi-Annual Payments shall be payable solely and only from funds appropriated by the General Assembly of the Commonwealth to DGS for the Semi-Annual Payments. The Semi-Annual Payments are not secured by a pledge by the Commonwealth (or by any political subdivision thereof) of the Commonwealth's full faith, credit, and taxing power. Notwithstanding any provision of this Agreement to the contrary, nothing in this Agreement shall be construed to obligate future General Assemblies of the Commonwealth of Pennsylvania to make appropriations for payments due under this Agreement. The Secretary of the Budget acknowledges that he or she shall use his or her best efforts to cause to be included in each annual budget request submitted by the Governor to the General Assembly an amount equal to the Semi-Annual Payments due to be paid by DGS for the fiscal year covered by the budget request.
6. Commonwealth's Electronic Payments. DGS shall pay to the Escrow Agent electronically through Automated Clearing House ("ACH").
- a. Simultaneous with its execution of this Agreement, MRE Funding shall, or shall cause the Escrow Agent to, complete the Pennsylvania Electronic Payment Program ("PEPP") Enrollment Form and submit that completed form to the Commonwealth of Pennsylvania's Vendor Data Management Unit, Payable Service Center by fax at 717-214-0140. The PEPP form is attached to this Agreement as Exhibit B. It is also available at:
<https://www.vendorregistration.state.pa.us/cvmu/paper/Forms/ACH-EFTenrollmentform.pdf>

- b. MRE Funding shall invoice, or cause the Escrow Agent to invoice, DGS for each of the Semi-Annual Payments by submitting an invoice with a unique invoice number to DGS at least 90 days in advance of the date of each Semi-Annual Payment; provided, however, that during the period an Interim Financing under Section 9 is outstanding, each such invoice shall be submitted as far in advance of the date of each Semi-Annual Payment as is reasonably possible under the terms of such Interim Financing, but not to exceed 90 days. The unique invoice number will be listed on the Commonwealth of Pennsylvania's ACH remittance advice to enable the Escrow Agent to properly apply receipt of the DGS's Payments to the invoice number that corresponds to Semi-Annual Payments. MRE Funding shall deliver, or cause to be delivered, each invoice to DGS via email at:

69181@pa.gov

Further information and instructions for the submission of invoices to the Commonwealth via email are available at:

<http://www.budget.pa.gov/Services/ForVendors/Pages/How-to-Submit-Invoices.aspx>

- c. MRE Funding shall ensure that the Escrow Agent's ACH information on file with the Commonwealth of Pennsylvania's Vendor Data Management Unit, Payable Service Center, and needed by the DGS to make the Semi-Annual Payments, is correct throughout the term of this Agreement. MRE Funding shall cause the Escrow Agent to make any updates to its ACH information at least 90 days in advance of the date of each Semi-Annual Payment. MRE Funding hereby acknowledges that the failure to timely submit and maintain accurate and complete ACH information may result in delays of the Semi-Annual Payments.
- 7. Non-Disturbance. The Commonwealth will, at all times, retain ownership and full title of the Premises, and the Commonwealth's quiet enjoyment, possession, and use of the Premises will not be disturbed during the Term of this Agreement.
 - 8. Prepayment. DGS may prepay the principal portion of its Semi-Annual Payments at the end of the tenth (10th) year of this Agreement, without

premium, by giving MRE Funding ninety (90) days' prior written notice; provided, however, that in connection with any Interim Financing under Section 9 hereof DGS may prepay the principal portion of its Semi-Annual Payments on such terms and conditions as are permitted by such Interim Financing. Prepayment options on a shorter basis, may be available to DGS on terms to be negotiated by the parties and at costs based on interest rates at that time.

9. Financing of the Payment by MRE Funding. DGS acknowledges that MRE Funding intends to finance the Payment to the Commonwealth by securitizing the Semi-Annual Payments via certificates of participation executed and delivered by MRE Funding (the "Permanent Financing"). The Permanent Financing may be preceded by one or more bridge loans or other forms of financing entered into by MRE Funding (such bridge loans or other forms of financing referred to as "Interim Financing"), which Interim Financing shall be taken out by the Permanent Financing. DGS shall provide such information as MRE Funding may reasonably require from DGS, and shall cooperate with MRE Funding as may be reasonably necessary, to conclude such Permanent or Interim Financing.
10. Limitations of MRE Funding's Duties. DGS acknowledges that in connection with this Agreement:
 - a. MRE Funding is acting solely as a principal and not as a municipal advisor, financial advisor, or fiduciary to the Commonwealth or DGS;
 - b. MRE Funding has not assumed any advisory or fiduciary responsibility to the Commonwealth or DGS in connection with MRE Funding's performance of its duties under this Agreement or in any discussions, undertakings, and procedures related to the RFP or this Agreement; and
 - c. The services provided to DGS in connection with this Agreement shall not limit MRE Funding from providing other services for the Commonwealth in conjunction with any other services requested by the Commonwealth, except as limited by rule of law or regulation.
11. Independent Contractor. MRE Funding will perform all of its duties and responsibilities under this Agreement as an independent contractor. MRE Funding and all of its agents or employees shall not be deemed to be

employees of the Commonwealth or of DGS for any purpose. Nothing contained in this Agreement shall preclude MRE Funding from carrying on its customary and usual business activities.

12. Fees, Commissions, and Expenses. DGS shall pay all expenses incident to the issuance of the certificates of participation not to exceed \$2,375,000.00, inclusive of all fees, commissions and expenses related to an Interim Financing or the Permanent Financing, and/or an underwriter's discount related to the Permanent Financing (the "Costs of Issuance"), and a one-time, one-percent (1%) arrangement fee to MRE Funding (the "Arrangement Fee", and together with the Costs of Issuance, the "Fees"). DGS shall pay the Costs of Issuance at the time of closing on the Permanent Financing from the proceeds thereof. DGS shall pay the Costs of Issuance related to any Interim Financing at the time of closing on the Interim Financing and from the proceeds thereof. The Arrangement Fee will be equal to 1% of the Payment, and paid in two installments: (1) a payment of \$1,000,000 due at the time of closing on the first Interim Financing; and (2) a payment of \$1,000,000 due at the time of closing on the Permanent Financing. All Fees payable hereunder are contingent upon a successful completion and execution of the transactions contemplated by this Agreement. In the event the Permanent Financing or Interim Financing does not close, neither Blackford nor MRE Funding shall have any liability for payment of any Costs of Issuance.
13. Assignment. MRE Funding shall not assign or otherwise transfer any interest in this Agreement without the prior written consent of DGS; provided, however, that MRE Funding shall have the right to assign this Agreement (including its rights to receive Semi-Annual Payments from DGS under Section 4) in accordance with Section 2 without the prior written consent of DGS.
14. Default by DGS.
 - a. Except as provided for in subsection (d) below, (i) if DGS fails to pay the full amount of a Semi-Annual Payment when due, or (ii) if DGS fails to comply with its obligations under this Agreement within 30 days after MRE Funding has given written notice to DGS of the failure and a demand that they be performed, or (iii) if DGS shall be adjudicated as bankrupt or shall make an assignment for the benefit of creditors or shall file a bill in equity or otherwise to initiate

proceedings for the appointment of a receiver of DGS's assets, or shall file any proceeding in bankruptcy or for reorganization or an arrangement under and federal or state law, or (iv) if in any proceeding in bankruptcy or for the appointment of a receiver shall be instituted by an creditor of DGS under federal or state law, and such proceeding shall not have been terminated within sixty (60) days after its institution (the occurrence of any such event constituting an event of default and a breach under this Agreement), then and in addition to any other rights or remedies MRE Funding may have under this Agreement or at law or in equity, MRE Funding shall have the following rights:

- I. by written notice to DGS, with or without terminating this Agreement, declare an amount equal to all amounts then due under this Agreement, and all remaining Semi-Annual Payments due for which funds have been appropriated, to be immediately due and payable, whereupon the same shall become immediately due and payable; and
 - II. to obtain such performance of DGS's obligations under this Agreement as is permitted by law.
- b. No right or remedy conferred or reserved in this Agreement to MRE Funding is intended to be exclusive of any other right or remedy available to MRE Funding at law or in equity.
 - c. No waiver by MRE Funding of any breach of this Agreement by DGS shall be a waiver of any subsequent breach or of any obligation, agreement, or covenant, nor shall any forbearance by MRE Funding to seek a remedy for any breach by DGS be a waiver by MRE Funding of any rights and remedies with respect to such or any subsequent breach.
 - d. Notwithstanding subsection (a) above to the contrary, it shall be a defense to the failure by DGS to pay a Semi-Annual Payment when due under this Agreement if, but only to the extent that, such failure occurs because the General Assembly of the Commonwealth of Pennsylvania has not appropriated sufficient money to DGS from which the Semi-Annual Payment may be made and to enable DGS to make the Semi-Annual Payment when due, even though the annual

budget request submitted to the General Assembly for this purpose did include sufficient funds to make the Semi-Annual Payment in full and when due, so long as the Secretary of the Budget has used his or her best efforts as described in Section 4.c and 5 hereof. Upon such an occurrence, DGS shall give written notice of such nonappropriation to MRE Funding within thirty (30) days thereof.

15. Default by MRE Funding.

- a. If MRE Funding fails to pay the full amount of the Payment when due, DGS shall have the following rights:
 - I. DGS may, at its sole discretion, terminate this Agreement and shall have no duty to make any Semi-Annual Payment; and
 - II. to obtain such performance of MRE Funding's obligation to make the Payment under this Agreement as permitted by law.

If DGS terminates this Agreement pursuant to subsection 15.a.I., the Commonwealth, or DGS, or both, shall not owe, and shall not pay to MRE Funding or to any other person or entity, any fees, commissions, penalties, or other costs due and payable, or claimed to be due and payable, as of the date of such termination or which arise directly or indirectly from DGS's termination.

- b. No right or remedy conferred or reserved in this Agreement to DGS is intended to be exclusive of any other right or remedy available to DGS at law or in equity;
 - c. No waiver by DGS of any breach of this Agreement by MRE Funding shall be a waiver of any subsequent breach or of any obligation, agreement, or covenant, nor shall any forbearance by DGS to seek a remedy for any breach by MRE Funding be a waiver by DGS of any rights and remedies with respect to such or any subsequent breach.
16. Indemnification. MRE Funding shall indemnify the Commonwealth and DGS against any and all third-party claims, demands and actions based upon or arising out of any activities or duties performed by MRE Funding and its

employees, agents, and assigns pursuant to or in connection with this Agreement, provided DGS gives MRE Funding prompt notice of any such claim of which it learns. Pursuant to the Commonwealth Attorneys Act (71 P.S. Section 732-101, et seq.), the Office of Attorney General (OAG) has the sole authority to represent the Commonwealth, or DGS, or both, in actions brought against DGS. The OAG may, however, in its sole discretion and under such terms as it deems appropriate, delegate its right of defense. If OAG delegates the defense to MRE Funding, DGS will cooperate with all reasonable requests of MRE Funding made in the defense of such suits. Notwithstanding the preceding sentence, neither party shall enter into any settlement without the other party's written consent, which shall not be unreasonably withheld. DGS may, in its sole discretion, allow MRE Funding to control the defense and any related settlement negotiations. The Commonwealth's and DGS's rights to Indemnification hereunder are limited to claims against MRE Funding. DGS agrees that no such claim may be asserted against any assignee of MRE Funding and the existence of any such claim shall not in any way limit the obligations of DGS to pay and perform its obligations hereunder.

17. Amendment. This Agreement may not be amended or modified except by written agreement signed by the parties hereto, and after the effective date of a permitted Assignment under Section 2, only with the prior written consent of the assignee.
18. Severability. The provisions of this Agreement shall be severable. If any phrase, clause, sentence or provision of this Agreement is declared to be contrary to the Constitution of Pennsylvania or of the United States or of the laws of the Commonwealth the applicability thereof to any government, agency, person or circumstance is held invalid, the validity of the remainder of this Agreement and the applicability thereof to any government, agency, person or circumstance shall not be affected thereby.
19. Interpretation. This Agreement shall be construed and interpreted in accordance with the laws of the Commonwealth of Pennsylvania.
20. Notice. Any notice or demand from DGS to MRE Funding or from MRE Funding to DGS shall be in writing and shall be delivered either by hand, by fax, by email, or by deposit in United States mail, postage prepaid, registered or certified, return receipt requested. It shall be MRE Funding's responsibility to notify DGS of any change in MRE Funding's address.

- a. Notices to MRE Funding shall be sent to:

Municipal Real Estate Funding, LLC
120 North Point Blvd., Suite 203
Lancaster, PA 17601
Email: bfv@blackfordventures.com
Fax: 717-345-3200

with a copy to:

Wilmington Trust, N.A., as Escrow Agent
213 Market Street, 2nd Floor
Harrisburg, PA 17101
Attn: Corporate Trust

- b. Notices to DGS shall be sent to:

Secretary, Office of the Budget
Commonwealth of Pennsylvania
Main Capitol, Room 238
Harrisburg, PA 17120
Fax: 717-787-4950

with a copy to:

Office of Chief Counsel
Commonwealth of Pennsylvania
Office of the Budget
333 Market Street, 18th Floor
Harrisburg, PA 17101
Fax: 717-787-0827

and

Secretary, Department of General Services
Commonwealth of Pennsylvania
North Office Building, Room 515
401 North Street
Harrisburg, PA 17125

with a copy to:

Office of Chief Counsel
Commonwealth of Pennsylvania
Department of General Services
North Office Building, 401 North Street
Harrisburg, PA 17120
Fax: 717-787-9138

21. Exhibits. Included in and made part of this Agreement are the following Exhibits:

A---Amortization Schedule
B---Pennsylvania Electronic Payment Program Enrollment Form
C---Commonwealth of Pennsylvania Standard Contract Terms and Conditions (MRE Funding is considered to be the "Contractor" therein)
22. Integration and Merger. This Agreement, when executed, approved, and delivered, shall constitute the final, complete, and exclusive Agreement between the parties containing all the terms and conditions agreed on by the parties. All representations, understandings, promises and agreements pertaining to the subject matter of this Agreement made prior to or at the time this Agreement is executed are superseded by this Agreement unless specifically accepted by any other term or provision of this Agreement. There are no conditions precedent to the performance of this Agreement except as expressly set forth in this Agreement.
23. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, and all of which together shall be deemed to be one and the same instrument.
24. Authority and Authorization. DGS represents, covenants, and warrants, and will at its expense deliver an opinion of counsel satisfactory to MRE Funding to the effect that: (a) the execution, delivery, and performance by DGS of this Agreement have been duly authorized by necessary action on the part of DGS; (b) this Agreement has been duly executed and delivered on behalf of DGS and constitutes a legal, valid, and binding obligation of DGS enforceable in accordance with its terms; and (c) DGS has complied with all bidding requirements, where necessary, and by due notification

presented this Agreement for approval and adoption as a valid obligation on its part. DGS agrees that: (i) DGS will do or cause to be done all things necessary to preserve and keep the Agreement in full force and effect; (ii) DGS's obligations hereunder are not guaranteed by the United States of America or any agency or instrumentality thereof; (iii) DGS and the Commonwealth have not established and will not establish any sinking fund, redemption fund, debt service fund, reserve fund, replacement fund, or similar fund to be used to pay principal or interest composing the payments due hereunder; (iv) DGS and the Commonwealth will take no action that would cause the interest portion of the payments due hereunder to become included in gross income of the recipient for federal income tax purposes under the Internal Revenue Code of 1986, as amended (the "Code"), and Treasury Regulations promulgated thereunder (the "Regulations"), and DGS and the Commonwealth will take and will cause its officers, employees, and agents to take all affirmative actions legally within its power necessary to ensure that the interest portion of the payments due hereunder does not become included in gross income of the recipient for federal income tax purposes under the Code and Regulations, all as amended from time to time (including, without limitation, the calculation and payment of any rebate required to preserve such exclusion); and (v) DGS will sign and submit to MRE Funding for filing with the Secretary of the U.S. Treasury information reporting statements and other information relating to this Agreement and the Escrow Agreement at the times and in the forms required by the Code and the Regulations. DGS and the Commonwealth further represents and warrants that no outstanding general obligation debt of the Commonwealth is subject to being declared payable prior to its scheduled due date, and that no annual appropriation obligation of the Commonwealth is subject to being declared payable prior to its scheduled due date, excepting amounts then due and amounts for which the Commonwealth has appropriated funds. DGS and the Commonwealth covenant that they will not issue any such general obligation debt or annual appropriation obligation while the Interim Financing closed on the Effective Date is outstanding.

[SIGNATURE PAGE FOLLOWS.]

IN WITNESS WHEREOF, the parties, through their authorized representatives, have executed this Agreement on the Effective Date.

**MUNICIPAL REAL ESTATE
FUNDING, LLC**

By: 
Name: Richard Welkowitz
Title: Sole Member

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES**

By: _____
Name: _____
Title: _____

**ACKNOWLEDGEMENT BY
COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE BUDGET**

By: _____
Name: _____
Title: _____

IN WITNESS WHEREOF, the parties, through their authorized representatives, have executed this Agreement on the Effective Date.

**MUNICIPAL REAL ESTATE
FUNDING, LLC**

By: _____

Name: Richard Welkowitz

Title: Sole Member

**COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF GENERAL SERVICES**

By: _____

Name: Curt Topper

Title: Secretary

**ACKNOWLEDGEMENT BY
COMMONWEALTH OF PENNSYLVANIA
OFFICE OF THE BUDGET**

By: _____

Name: RANDY C. ALLENKOFF

Title: BUDGET SECRETARY

APPROVED AS TO FORM AND LEGALITY:

OFFICE OF CHIEF COUNSEL, DGS



Date: Jan - 29, 2018

OFFICE OF ATTORNEY GENERAL

Date: Ang M. Phoo 1/29/18

OFFICE OF GENERAL COUNSEL

Date: Elizabeth J. Peltus
1/29/18



COMMONWEALTH OF PENNSYLVANIA
GOVERNOR'S OFFICE OF GENERAL COUNSEL

January 29, 2018

SUBJECT: CONTRACT OGC #
• 564/2018-OCC7364/Financing Agreement b/w DGS & MRE Funding

TO: Charles Anderson
Chief Counsel
Department of General Services
603 North Office Building

FROM: Elizabeth L. Pettis
Deputy General Counsel
Office of General Counsel

The above-referenced documents **have been approved** for form and legality pursuant to the Commonwealth Attorneys Act, 71 P.S. Section 732.101 *et seq.*

No approval or opinion is offered as to the manner of execution if any document is submitted in proposed form. No approval or opinion is offered concerning any document referenced but not submitted or any events or other occurrences giving rise to the agreements' creation or submission.

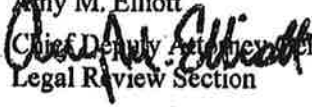
To the extent applicable to the referenced document, no approval or opinion is offered as to the fiscal authority of the agency to commit funds not yet appropriated. The Office of the Budget is responsible for the fiscal review of contracts pursuant to the Commonwealth Procurement Code, 62 Pa. C.S. § 327.

ELP/lr

Commonwealth of Pennsylvania
Office of Attorney General
January 29, 2018

Subject: Contract 2018-OCC7364

To: Department of General Services
Charles E. Anderson
Chief Counsel

From: Amy M. Elliott

Chief Deputy Attorney General
Legal Review Section

The referenced contract(s) has been approved for form and legality pursuant to the Commonwealth Attorneys Act, 71 P.S. Section 732.101 et seq.

No approval or opinion is offered as to the manner of execution if the document was submitted in proposed form. No approval or opinion is offered concerning any document referenced but not submitted or any events or other occurrences giving rise to the contract's creation or submission. Our review does not extend to compliance with the laws of other jurisdictions. To the extent, if any, that such other laws may be applicable to the making or performance of the contract in any respect, the agency may want to consult with counsel in that jurisdiction.

To the extent applicable to the referenced contract, no approval or opinion is offered as to the fiscal authority of the agency to commit funds not yet appropriated. The Office of the Budget is responsible for the fiscal review of contracts pursuant to the Commonwealth Procurement Code, 62 Pa. C.S. Section 327.

AME/jn

CC:

Contract: 2018-OCC7364

Vendor: MUNICIPAL REAL ESTATE FUNDING LLC

EXHIBIT A

AMORTIZATION SCHEDULE

SEE ATTACHED PAGES

BOND DEBT SERVICE**Municipal Real Estate Financing, LLC
(Commonwealth COPS)**

Dated Date 04/26/2018
Delivery Date 04/26/2018

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2018			1,716,765.10	1,716,765.10
07/01/2019			9,508,237.50	9,508,237.50
07/01/2020	3,745,000	5.000%	9,508,237.50	13,253,237.50
07/01/2021	3,935,000	5.000%	9,320,987.50	13,255,987.50
07/01/2022	4,130,000	5.000%	9,124,237.50	13,254,237.50
07/01/2023	4,335,000	5.000%	8,917,737.50	13,252,737.50
07/01/2024	4,555,000	5.000%	8,700,987.50	13,255,987.50
07/01/2025	4,780,000	5.000%	8,473,237.50	13,253,237.50
07/01/2026	5,020,000	5.000%	8,234,237.50	13,254,237.50
07/01/2027	5,270,000	5.000%	7,983,237.50	13,253,237.50
07/01/2028	5,535,000	5.000%	7,719,737.50	13,254,737.50
07/01/2029	5,810,000	5.000%	7,442,987.50	13,252,987.50
07/01/2030	6,105,000	5.000%	7,152,487.50	13,257,487.50
07/01/2031	6,410,000	5.000%	6,847,237.50	13,257,237.50
07/01/2032	6,730,000	3.625%	6,526,737.50	13,256,737.50
07/01/2033	6,970,000	3.750%	6,282,775.00	13,252,775.00
07/01/2034	7,235,000	5.000%	6,021,400.00	13,256,400.00
07/01/2035	7,595,000	5.000%	5,659,650.00	13,254,650.00
07/01/2036	7,975,000	5.000%	5,279,900.00	13,254,900.00
07/01/2037	8,375,000	5.000%	4,881,150.00	13,256,150.00
07/01/2038	8,795,000	5.000%	4,462,400.00	13,257,400.00
07/01/2039	9,235,000	5.000%	4,022,650.00	13,257,650.00
07/01/2040	9,695,000	5.000%	3,560,900.00	13,255,900.00
07/01/2041	10,180,000	5.000%	3,076,150.00	13,256,150.00
07/01/2042	10,690,000	5.000%	2,567,150.00	13,257,150.00
07/01/2043	11,225,000	5.000%	2,032,650.00	13,257,650.00
07/01/2044	11,785,000	4.000%	1,471,400.00	13,256,400.00
07/01/2045	12,255,000	4.000%	1,000,000.00	13,255,000.00
07/01/2046	12,745,000	4.000%	509,800.00	13,254,800.00
	201,115,000		168,005,065.10	369,120,065.10

EXHIBIT B

**PENNSYLVANIA ELECTRONIC PAYMENT PROGRAM
ENROLLMENT FORM**

The PEPP Form is a completable PDF which is located at:

<http://www.budget.pa.gov/Documents/pepp-form.pdf>

EXHIBIT C

COMMONWEALTH OF PENNSYLVANIA STANDARD CONTRACT TERMS AND CONDITIONS

1. NONDISCRIMINATION/SEXUAL HARASSMENT CLAUSE

The Contractor agrees:

- a. In the hiring of any employee(s) for the manufacture of supplies, performance of work, or any other activity required under the contract or any subcontract, the Contractor, each subcontractor, or any person acting on behalf of the Contractor or subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the *Pennsylvania Human Relations Act* (PHRA) and applicable federal laws, against any citizen of this Commonwealth who is qualified and available to perform the work to which the employment relates.
- b. Neither the Contractor nor any subcontractor nor any person on their behalf shall in any manner discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of the PHRA and applicable federal laws, against or intimidate any employee involved in the manufacture of supplies, the performance of work, or any other activity required under the contract.
- c. The Contractor and each subcontractor shall establish and maintain a written nondiscrimination and sexual harassment policy and shall inform their employees in writing of the policy. The policy must contain a provision that sexual harassment will not be tolerated and employees who practice it will be disciplined. Posting this Nondiscrimination/Sexual Harassment Clause conspicuously in easily-accessible and well-lit places customarily frequented by employees and at or near where the contracted services are performed shall satisfy this requirement for employees with an established work site.
- d. The Contractor and each subcontractor shall not discriminate by reason of race, gender, creed, color, sexual orientation, gender identity or expression, or in violation of PHRA and applicable federal laws, against any subcontractor or supplier who is qualified to perform the work to which the contract relates.
- e. The Contractor and each subcontractor represents that it is presently in compliance with and will maintain compliance with all applicable federal, state, and local laws, regulations and policies relating to nondiscrimination and sexual harassment. The Contractor and each subcontractor further represents that it has filed a Standard Form 100 Employer Information Report ("EEO-1") with the U.S. Equal Employment Opportunity Commission ("EEOC") and shall file an annual EEO-1 report with the EEOC as required for employers' subject to *Title VII of the Civil Rights Act of 1964*, as amended, that have 100 or more employees and employers that have federal government contracts or first-tier subcontracts and have 50 or more employees. The Contractor and each subcontractor shall, upon request and within the time periods requested by the Commonwealth, furnish all necessary employment documents and records, including EEO-1 reports, and permit access to their books, records, and accounts by the contracting agency and the Bureau of Diversity, Inclusion and Small

Business Opportunities for purpose of ascertaining compliance with provisions of this Nondiscrimination/Sexual Harassment Clause.

- f. The Contractor shall include the provisions of this Nondiscrimination/Sexual Harassment Clause in every subcontract so that those provisions applicable to subcontractors will be binding upon each subcontractor.
- g. The Contractor's and each subcontractor's obligations pursuant to these provisions are ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor and each subcontractor shall have an obligation to inform the Commonwealth if, at any time during the term of the contract, it becomes aware of any actions or occurrences that would result in violation of these provisions.
- h. The Commonwealth may cancel or terminate the contract and all money due or to become due under the contract may be forfeited for a violation of the terms and conditions of this Nondiscrimination/Sexual Harassment Clause. In addition, the agency may proceed with debarment or suspension and may place the Contractor in the Contractor Responsibility File.

2. CONTRACTOR INTEGRITY PROVISIONS

It is essential that those who seek to contract with the Commonwealth of Pennsylvania ("Commonwealth") observe high standards of honesty and integrity. They must conduct themselves in a manner that fosters public confidence in the integrity of the Commonwealth contracting and procurement process.

- a. **DEFINITIONS.** For purposes of these Contractor Integrity Provisions, the following terms shall have the meanings found in this Section:

- 1) **"Affiliate"** means two or more entities where (a) a parent entity owns more than fifty percent of the voting stock of each of the entities; or (b) a common shareholder or group of shareholders owns more than fifty percent of the voting stock of each of the entities; or (c) the entities have a common proprietor or general partner.
- 2) **"Consent"** means written permission signed by a duly authorized officer or employee of the Commonwealth, provided that where the material facts have been disclosed, in writing, by prequalification, bid, proposal, or contractual terms, the Commonwealth shall be deemed to have consented by virtue of the execution of this contract.
- 3) **"Contractor"** means the individual or entity, that has entered into this contract with the Commonwealth.
- 4) **"Contractor Related Parties"** means any affiliates of the Contractor and the Contractor's executive officers, Pennsylvania officers and directors, or owners of 5 percent or more interest in the Contractor.
- 5) **"Financial Interest"** means either:
 - a) Ownership of more than a five percent interest in any business; or
 - b) Holding a position as an officer, director, trustee, partner, employee, or holding any position of management.

6) **"Gratuity"** means tendering, giving, or providing anything of more than nominal monetary value including, but not limited to, cash, travel, entertainment, gifts, meals, lodging, loans, subscriptions, advances, deposits of money, services, employment, or contracts of any kind. The exceptions set forth in the *Governor's Code of Conduct, Executive Order 1980-18, the 4 Pa. Code §7.153(b)*, shall apply.

7) **"Non-bid Basis"** means a contract awarded or executed by the Commonwealth with Contractor without seeking bids or proposals from any other potential bidder or offeror.

b. In furtherance of this policy, Contractor agrees to the following:

- 1) Contractor shall maintain the highest standards of honesty and integrity during the performance of this contract and shall take no action in violation of state or federal laws or regulations or any other applicable laws or regulations, or other requirements applicable to Contractor or that govern contracting or procurement with the Commonwealth.
- 2) Contractor shall establish and implement a written business integrity policy, which includes, at a minimum, the requirements of these provisions as they relate to the Contractor activity with the Commonwealth and Commonwealth employees and which is made known to all Contractor employees. Posting these Contractor Integrity Provisions conspicuously in easily-accessible and well-lighted places customarily frequented by employees and at or near where the contract services are performed shall satisfy this requirement.
- 3) Contractor, its affiliates, agents, employees and anyone in privity with Contractor shall not accept, agree to give, offer, confer, or agree to confer or promise to confer, directly or indirectly, any gratuity or pecuniary benefit to any person, or to influence or attempt to influence any person in violation of any federal or state law, regulation, executive order of the Governor of Pennsylvania, statement of policy, management directive or any other published standard of the Commonwealth in connection with performance of work under this contract, except as provided in this contract.
- 4) Contractor shall not have a financial interest in any other contractor, subcontractor, or supplier providing services, labor, or material under this contract, unless the financial interest is disclosed to the Commonwealth in writing and the Commonwealth consents to Contractor's financial interest prior to Commonwealth execution of the contract. Contractor shall disclose the financial interest to the Commonwealth at the time of bid or proposal submission, or if no bids or proposals are solicited, no later than Contractor's submission of the contract signed by Contractor.
- 5) Contractor certifies to the best of its knowledge and belief that within the last five (5) years Contractor or Contractor Related Parties have not:
 - a) been indicted or convicted of a crime involving moral turpitude or business honesty or integrity in any jurisdiction;
 - b) been suspended, debarred or otherwise disqualified from entering into any contract with any governmental agency;

- c) had any business license or professional license suspended or revoked;
- d) had any sanction or finding of fact imposed as a result of a judicial or administrative proceeding related to fraud, extortion, bribery, bid rigging, embezzlement, misrepresentation or anti-trust; and
- e) been, and is not currently, the subject of a criminal investigation by any federal, state or local prosecuting or investigative agency and/or civil anti-trust investigation by any federal, state or local prosecuting or investigative agency.

If Contractor cannot so certify to the above, then it must submit along with its bid, proposal or contract a written explanation of why such certification cannot be made and the Commonwealth will determine whether a contract may be entered into with the Contractor. The Contractor's obligation pursuant to this certification is ongoing from and after the effective date of the contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to immediately notify the Commonwealth in writing if at any time during the term of the contract it becomes aware of any event which would cause the Contractor's certification or explanation to change. Contractor acknowledges that the Commonwealth may, in its sole discretion, terminate the contract for cause if it learns that any of the certifications made herein are currently false due to intervening factual circumstances or were false or should have been known to be false when entering into the contract.

- 6) Contractor shall comply with the requirements of the *Lobbying Disclosure Act* (65 Pa.C.S. §13A01 et seq.) regardless of the method of award. If this contract was awarded on a Non-bid Basis, Contractor must also comply with the requirements of the *Section 1641 of the Pennsylvania Election Code* (25 P.S. §3260a).
- 7) When Contractor has reason to believe that any breach of ethical standards as set forth in law, the Governor's Code of Conduct, or these Contractor Integrity Provisions has occurred or may occur, including but not limited to contact by a Commonwealth officer or employee which, if acted upon, would violate such ethical standards, Contractor shall immediately notify the Commonwealth contracting officer or the Office of the State Inspector General in writing.
- 8) Contractor, by submission of its bid or proposal and/or execution of this contract and by the submission of any bills, invoices or requests for payment pursuant to the contract, certifies and represents that it has not violated any of these Contractor Integrity Provisions in connection with the submission of the bid or proposal, during any contract negotiations or during the term of the contract, to include any extensions thereof. Contractor shall immediately notify the Commonwealth in writing of any actions or occurrences that would result in a violation of these Contractor Integrity Provisions. Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of the State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the Contractor. Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- 9) Contractor shall cooperate with the Office of the State Inspector General in its investigation of any alleged Commonwealth agency or employee breach of ethical standards and any alleged Contractor non-compliance with these Contractor Integrity Provisions. Contractor agrees to make identified Contractor employees

available for interviews at reasonable times and places. Contractor, upon the inquiry or request of an Inspector General, shall provide, or if appropriate, make promptly available for inspection or copying, any information of any type or form deemed relevant by the Office of the State Inspector General to Contractor's integrity and compliance with these provisions. Such information may include, but shall not be limited to, Contractor's business or financial records, documents or files of any type or form that refer to or concern this contract. Contractor shall incorporate this paragraph in any agreement, contract or subcontract it enters into in the course of the performance of this contract/agreement solely for the purpose of obtaining subcontractor compliance with this provision. The incorporation of this provision in a subcontract shall not create privity of contract between the Commonwealth and any such subcontractor, and no third party beneficiaries shall be created thereby.

- 10) For violation of any of these Contractor Integrity Provisions, the Commonwealth may terminate this and any other contract with Contractor, claim liquidated damages in an amount equal to the value of anything received in breach of these Provisions, claim damages for all additional costs and expenses incurred in obtaining another contractor to complete performance under this contract, and debar and suspend Contractor from doing business with the Commonwealth. These rights and remedies are cumulative, and the use or non-use of any one shall not preclude the use of all or any other. These rights and remedies are in addition to those the Commonwealth may have under law, statute, regulation, or otherwise.

3. CONTRACTOR RESPONSIBILITY PROVISIONS

For the purpose of these provisions, the term contractor is defined as any person, including, but not limited to, a bidder, offeror, loan recipient, grantee or lessor, who has furnished or performed or seeks to furnish or perform, goods, supplies, services, leased space, construction or other activity, under a contract, grant, lease, purchase order or reimbursement agreement with the Commonwealth of Pennsylvania (Commonwealth). The term contractor includes a permittee, licensee, or any agency, political subdivision, instrumentality, public authority, or other public entity in the Commonwealth.

- a. The Contractor certifies, in writing, for itself and its subcontractors required to be disclosed or approved by the Commonwealth, that as of the date of its execution of this Bid/Contract, that neither the Contractor, nor any such subcontractors, are under suspension or debarment by the Commonwealth or any governmental entity, instrumentality, or authority and, if the Contractor cannot so certify, then it agrees to submit, along with its Bid/Contract, a written explanation of why such certification cannot be made.
- b. The Contractor also certifies, in writing, that as of the date of its execution of this Bid/Contract it has no tax liabilities or other Commonwealth obligations, or has filed a timely administrative or judicial appeal if such liabilities or obligations exist, or is subject to a duly approved deferred payment plan if such liabilities exist.
- c. The Contractor's obligations pursuant to these provisions are ongoing from and after the effective date of the Contract through the termination date thereof. Accordingly, the Contractor shall have an obligation to inform the Commonwealth if, at any time during the term of the Contract, it becomes delinquent in the payment of taxes, or other Commonwealth obligations, or if

it or, to the best knowledge of the Contractor, any of its subcontractors are suspended or debarred by the Commonwealth, the federal government, or any other state or governmental entity. Such notification shall be made within 15 days of the date of suspension or debarment.

- d. The failure of the Contractor to notify the Commonwealth of its suspension or debarment by the Commonwealth, any other state, or the federal government shall constitute an event of default of the Contract with the Commonwealth.
- e. The Contractor agrees to reimburse the Commonwealth for the reasonable costs of investigation incurred by the Office of State Inspector General for investigations of the Contractor's compliance with the terms of this or any other agreement between the Contractor and the Commonwealth that results in the suspension or debarment of the contractor. Such costs shall include, but shall not be limited to, salaries of investigators, including overtime; travel and lodging expenses; and expert witness and documentary fees. The Contractor shall not be responsible for investigative costs for investigations that do not result in the Contractor's suspension or debarment.
- f. The Contractor may obtain a current list of suspended and debarred Commonwealth contractors by either searching the Internet at <http://www.dgs.state.pa.us/> or contacting the:
Department of General Services
Office of Chief Counsel
603 North Office Building
Harrisburg, PA 17125
Telephone No: (717) 783-6472
FAX No: (717) 787-9138

4. AMERICANS WITH DISABILITIES ACT

- a. Pursuant to federal regulations promulgated under the authority of The Americans With Disabilities Act, 28 C.F.R. § 35.101 et seq., the Contractor understands and agrees that it shall not cause any individual with a disability to be excluded from participation in this Contract or from activities provided for under this Contract on the basis of the disability. As a condition of accepting this contract, the Contractor agrees to comply with the "General Prohibitions Against Discrimination," 28 C.F.R. § 35.130, and all other regulations promulgated under Title II of The Americans With Disabilities Act which are applicable to all benefits, services, programs, and activities provided by the Commonwealth of Pennsylvania through contracts with outside contractors.
- b. The Contractor shall be responsible for and agrees to indemnify and hold harmless the Commonwealth of Pennsylvania from all losses, damages, expenses, claims, demands, suits, and actions brought by any party against the Commonwealth of Pennsylvania as a result of the Contractor's failure to comply with the provisions of subparagraph a above.

5. RIGHT TO KNOW LAW

- a. The Pennsylvania Right-to-Know Law, 65 P.S. §§ 67.101-3104, ("RTKL") applies to this Contract. For the purpose of these provisions, the term "the Commonwealth" shall refer to the contracting Commonwealth agency.

- b. If the Commonwealth needs the Contractor's assistance in any matter arising out of the RTKL related to this Contract, it shall notify the Contractor using the legal contact information provided in this Contract. The Contractor, at any time, may designate a different contact for such purpose upon reasonable prior written notice to the Commonwealth.
- c. Upon written notification from the Commonwealth that it requires the Contractor's assistance in responding to a request under the RTKL for information related to this Contract that may be in the Contractor's possession, constituting, or alleged to constitute, a public record in accordance with the RTKL ("Requested Information"), the Contractor shall:
 - 1) Provide the Commonwealth, within ten (10) calendar days after receipt of written notification, access to, and copies of, any document or information in the Contractor's possession arising out of this Contract that the Commonwealth reasonably believes is Requested Information and may be a public record under the RTKL; and
 - 2) Provide such other assistance as the Commonwealth may reasonably request, in order to comply with the RTKL with respect to this Contract.
- d. If the Contractor considers the Requested Information to include a request for a Trade Secret or Confidential Proprietary Information, as those terms are defined by the RTKL, or other information that the Contractor considers exempt from production under the RTKL, the Contractor must notify the Commonwealth and provide, within seven (7) calendar days of receiving the written notification, a written statement signed by a representative of the Contractor explaining why the requested material is exempt from public disclosure under the RTKL.
- e. The Commonwealth will rely upon the written statement from the Contractor in denying a RTKL request for the Requested Information unless the Commonwealth determines that the Requested Information is clearly not protected from disclosure under the RTKL. Should the Commonwealth determine that the Requested Information is clearly not exempt from disclosure, the Contractor shall provide the Requested Information within five (5) business days of receipt of written notification of the Commonwealth's determination.
- f. If the Contractor fails to provide the Requested Information within the time period required by these provisions, the Contractor shall indemnify and hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth.
- g. The Commonwealth will reimburse the Contractor for any costs associated with complying with these provisions only to the extent allowed under the fee schedule established by the Office of Open Records or as otherwise provided by the RTKL if the fee schedule is inapplicable.
- h. The Contractor may file a legal challenge to any Commonwealth decision to release a record to the public with the Office of Open Records, or in the

Pennsylvania Courts, however, the Contractor shall indemnify the Commonwealth for any legal expenses incurred by the Commonwealth as a result of such a challenge and shall hold the Commonwealth harmless for any damages, penalties, costs, detriment or harm that the Commonwealth may incur as a result of the Contractor's failure, including any statutory damages assessed against the Commonwealth, regardless of the outcome of such legal challenge. As between the parties, the Contractor agrees to waive all rights or remedies that may be available to it as a result of the Commonwealth's disclosure of Requested Information pursuant to the RTKL.

- i. The Contractor's duties relating to the RTKL are continuing duties that survive the expiration of this Contract and shall continue as long as the Contractor has Requested Information in its possession.

**SOURCES AND USES OF FUNDS****Municipal Real Estate Financing, LLC
(Commonwealth COPS)**

Dated Date 04/26/2018
Delivery Date 04/26/2018

Sources:

Bond Proceeds:	
Par Amount	201,115,000.00
Net Premium	15,534,522.95
	<u>216,649,522.95</u>

Uses:

Project Fund Deposits:	
Interim Financing Payoff	202,433,275.00
Other Fund Deposits:	
Capitalized Interest Fund	11,225,002.60
Cost of Issuance:	
Permanent Financing Arranger Fee	1,000,000.00
Bond Counsel	175,000.00
UW Counsel	130,000.00
Ratings	85,000.00
Escrow Agent	7,500.00
Escrow Agent Counsel	20,000.00
POS/OS Printing	4,950.00
Miscellaneous	25,000.00
Kutak Adjustment	11,180.00
	<u>1,458,630.00</u>
Delivery Date Expenses:	
Underwriter's Discount	1,530,828.26
Other Uses of Funds:	
Additional Proceeds	1,787.09
	<u>216,649,522.95</u>



BOND PRICING

Municipal Real Estate Financing, LLC
(Commonwealth COPS)

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bonds:									
	07/01/2020	3,745,000	5.000%	2.280%	105.750				215,337.50
	07/01/2021	3,935,000	5.000%	2.430%	107.817				307,598.95
	07/01/2022	4,130,000	5.000%	2.560%	109.611				396,934.30
	07/01/2023	4,335,000	5.000%	2.700%	111.046				478,844.10
	07/01/2024	4,555,000	5.000%	2.820%	112.281				559,399.55
	07/01/2025	4,780,000	5.000%	3.000%	112.829				613,226.20
	07/01/2026	5,020,000	5.000%	3.130%	113.399				672,629.80
	07/01/2027	5,270,000	5.000%	3.230%	113.960				735,692.00
	07/01/2028	5,535,000	5.000%	3.290%	114.172 C	3.345%	01/30/2028	100.000	784,420.20
	07/01/2029	5,810,000	5.000%	3.360%	113.546 C	3.523%	01/30/2028	100.000	787,022.60
	07/01/2030	6,105,000	5.000%	3.410%	113.102 C	3.657%	01/30/2028	100.000	799,877.10
	07/01/2031	6,410,000	5.000%	3.460%	112.659 C	3.772%	01/30/2028	100.000	811,441.90
	07/01/2032	6,730,000	3.625%	3.770%	98.414				-106,737.80
	07/01/2033	6,970,000	3.750%	3.830%	99.081				-64,054.30
	07/01/2034	7,235,000	5.000%	3.650%	110.996 C	4.065%	01/30/2028	100.000	795,560.60
	07/01/2035	7,595,000	5.000%	3.710%	110.477 C	4.141%	01/30/2028	100.000	795,728.15
	07/01/2036	7,975,000	5.000%	3.760%	110.047 C	4.204%	01/30/2028	100.000	801,248.25
	07/01/2037	8,375,000	5.000%	3.790%	109.790 C	4.248%	01/30/2028	100.000	819,912.50
	07/01/2038	<u>8,795,000</u>	5.000%	3.800%	109.704 C	4.277%	01/30/2028	100.000	<u>853,466.80</u>
		113,305,000							11,057,548.40
2043 Term Bond:									
	07/01/2043	51,025,000	5.000%	3.810%	109.619 C	4.366%	01/30/2028	100.000	4,908,094.75
2046 Term Bond:									
	07/01/2046	36,785,000	4.000%	4.070%	98.828				-431,120.20
		201,115,000							15,534,522.95

Dated Date 04/26/2018
Delivery Date 04/26/2018
First Coupon 07/01/2018

Par Amount 201,115,000.00
Premium 15,534,522.95

Production 216,649,522.95 107.724199%
Underwriter's Discount -1,530,828.26 -0.761171%

Purchase Price 215,118,694.69 106.963028%
Accrued Interest

Net Proceeds 215,118,694.69

**BOND SUMMARY STATISTICS****Municipal Real Estate Financing, LLC
(Commonwealth COPS)**

Dated Date	04/26/2018
Delivery Date	04/26/2018
Last Maturity	07/01/2046
Arbitrage Yield	3.745779%
True Interest Cost (TIC)	4.094372%
Net Interest Cost (NIC)	4.262474%
All-In TIC	4.152166%
Average Coupon	4.650070%
Average Life (years)	17.965
Duration of Issue (years)	12.032
Par Amount	201,115,000.00
Bond Proceeds	216,649,522.95
Total Interest	168,005,065.10
Net Interest	154,001,370.41
Total Debt Service	369,120,065.10
Maximum Annual Debt Service	13,257,650.00
Average Annual Debt Service	13,098,395.61
Underwriter's Fees (per \$1000)	
Average Takedown	5.000000
Management Fee	2.500000
Other Fee	0.111706
Total Underwriter's Discount	7.611706
Bid Price	106.963028

Bond Component	Par Value	Price	Average Coupon	Average Life	PV of 1 bp change
Serial Bonds	113,305,000.00	109.759	4.815%	12.571	91,039.40
2043 Term Bond	51,025,000.00	109.619	5.000%	23.278	43,881.50
2046 Term Bond	36,785,000.00	98.828	4.000%	27.207	61,063.10
	201,115,000.00			17.965	195,984.00

	TIC	All-In TIC	Arbitrage Yield
Par Value	201,115,000.00	201,115,000.00	201,115,000.00
+ Accrued Interest			
+ Premium (Discount)	15,534,522.95	15,534,522.95	15,534,522.95
- Underwriter's Discount	-1,530,828.26	-1,530,828.26	
- Cost of Issuance Expense		-1,458,630.00	
- Other Amounts			
Target Value	215,118,694.69	213,660,064.69	216,649,522.95
Target Date	04/26/2018	04/26/2018	04/26/2018
Yield	4.094372%	4.152166%	3.745779%

**BOND DEBT SERVICE****Municipal Real Estate Financing, LLC
(Commonwealth COPS)**

Dated Date 04/26/2018
Delivery Date 04/26/2018

Period Ending	Principal	Coupon	Interest	Debt Service
07/01/2018			1,716,765.10	1,716,765.10
07/01/2019			9,508,237.50	9,508,237.50
07/01/2020	3,745,000	5.000%	9,508,237.50	13,253,237.50
07/01/2021	3,935,000	5.000%	9,320,987.50	13,255,987.50
07/01/2022	4,130,000	5.000%	9,124,237.50	13,254,237.50
07/01/2023	4,335,000	5.000%	8,917,737.50	13,252,737.50
07/01/2024	4,555,000	5.000%	8,700,987.50	13,255,987.50
07/01/2025	4,780,000	5.000%	8,473,237.50	13,253,237.50
07/01/2026	5,020,000	5.000%	8,234,237.50	13,254,237.50
07/01/2027	5,270,000	5.000%	7,983,237.50	13,253,237.50
07/01/2028	5,535,000	5.000%	7,719,737.50	13,254,737.50
07/01/2029	5,810,000	5.000%	7,442,987.50	13,252,987.50
07/01/2030	6,105,000	5.000%	7,152,487.50	13,257,487.50
07/01/2031	6,410,000	5.000%	6,847,237.50	13,257,237.50
07/01/2032	6,730,000	3.625%	6,526,737.50	13,256,737.50
07/01/2033	6,970,000	3.750%	6,282,775.00	13,252,775.00
07/01/2034	7,235,000	5.000%	6,021,400.00	13,256,400.00
07/01/2035	7,595,000	5.000%	5,659,650.00	13,254,650.00
07/01/2036	7,975,000	5.000%	5,279,900.00	13,254,900.00
07/01/2037	8,375,000	5.000%	4,881,150.00	13,256,150.00
07/01/2038	8,795,000	5.000%	4,462,400.00	13,257,400.00
07/01/2039	9,235,000	5.000%	4,022,650.00	13,257,650.00
07/01/2040	9,695,000	5.000%	3,560,900.00	13,255,900.00
07/01/2041	10,180,000	5.000%	3,076,150.00	13,256,150.00
07/01/2042	10,690,000	5.000%	2,567,150.00	13,257,150.00
07/01/2043	11,225,000	5.000%	2,032,650.00	13,257,650.00
07/01/2044	11,785,000	4.000%	1,471,400.00	13,256,400.00
07/01/2045	12,255,000	4.000%	1,000,000.00	13,255,000.00
07/01/2046	12,745,000	4.000%	509,800.00	13,254,800.00
	201,115,000		168,005,065.10	369,120,065.10

**NET DEBT SERVICE****Municipal Real Estate Financing, LLC
(Commonwealth COPS)**

Period Ending	Total Debt Service	Capitalized Interest Fund	Net Debt Service
07/01/2018	1,716,765.10	1,716,765.10	
07/01/2019	9,508,237.50	9,508,237.50	
07/01/2020	13,253,237.50		13,253,237.50
07/01/2021	13,255,987.50		13,255,987.50
07/01/2022	13,254,237.50		13,254,237.50
07/01/2023	13,252,737.50		13,252,737.50
07/01/2024	13,255,987.50		13,255,987.50
07/01/2025	13,253,237.50		13,253,237.50
07/01/2026	13,254,237.50		13,254,237.50
07/01/2027	13,253,237.50		13,253,237.50
07/01/2028	13,254,737.50		13,254,737.50
07/01/2029	13,252,987.50		13,252,987.50
07/01/2030	13,257,487.50		13,257,487.50
07/01/2031	13,257,237.50		13,257,237.50
07/01/2032	13,256,737.50		13,256,737.50
07/01/2033	13,252,775.00		13,252,775.00
07/01/2034	13,256,400.00		13,256,400.00
07/01/2035	13,254,650.00		13,254,650.00
07/01/2036	13,254,900.00		13,254,900.00
07/01/2037	13,256,150.00		13,256,150.00
07/01/2038	13,257,400.00		13,257,400.00
07/01/2039	13,257,650.00		13,257,650.00
07/01/2040	13,255,900.00		13,255,900.00
07/01/2041	13,256,150.00		13,256,150.00
07/01/2042	13,257,150.00		13,257,150.00
07/01/2043	13,257,650.00		13,257,650.00
07/01/2044	13,256,400.00		13,256,400.00
07/01/2045	13,255,000.00		13,255,000.00
07/01/2046	13,254,800.00		13,254,800.00
	369,120,065.10	11,225,002.60	357,895,062.50