



September 18, 2017

Mr. Robert Zienkowski, Manager  
Radnor Township  
301 Iven Avenue  
Wayne, PA 19087

**Re: 145 King of Prussia Road**

Dear Mr. Zienkowski:

As you are aware the Trustees of the University of Pennsylvania own the property located at 145 King of Prussia Road (the "Subject Property"). Please be advised that the Trustees are in discussions to sell a portion of the Subject Property to an unrelated, for-profit third party and intend to lease a portion of the Subject Property back for operation as an ambulatory care facility. Under this structure, the Trustees acknowledge that the Subject Property will remain fully taxable at regular County, Township and School District rates and commit to maintain that tax status during such leasehold occupancy. Notwithstanding the foregoing, the Trustees, like any property owner, shall retain the right to challenge the valuation of any assessment pursuant to the procedures established by the subject taxing authority.

In the event that the Trustees do not sell the Subject Property or sell the Subject Property and regain ownership at a later date, the Trustees agree not to petition for a tax exemption as long as they continue to operate from the Subject Property.

We look forward to a continued positive relationship with Radnor Township and its citizens.

Sincerely,

Kevin B. Mahoney



September 25, 2017

Mr. Robert Zienkowski, Manager  
Radnor Township  
301 Iven Avenue  
Wayne, PA 19087

**Re: 145 King of Prussia Road**

Dear Mr. Zienkowski:

We have been advised that the Board of Commissioners requested additional information about the intended use and development of the 145 King of Prussia Road property (“Subject Property”). Specifically, the Board has asked:

- whether the entire Subject Property would be the subject of the potential sale and lease-back;
- whether the Trustees intend to pay Radnor’s Business Privilege Tax with regard to the use of the Subject Property;
- whether additional information is available as to the intended purchaser of the Subject Property;
- whether there is a proposed timeline for when land development plans would be ready for submission; and
- whether the Trustees have had any correspondence with the School District.

We would ask that you please advise the Board that the Trustees are pursuing a sale of the entire Subject Property with the intention to lease back only a portion. That said, our commitment to the Township remains the same whether the Subject Property is sold or not – the Trustees will not petition for a tax exemption as long as they continue to operate from the Subject Property. Similarly, so long as the Trustees operate from the Subject Property, the Trustees commit to paying all applicable taxes including the Township’s Business Privilege Tax, which as you are aware, is paid by the Trustees at the current Radnor site.

At this time, we are unable to provide specific information as to the intended purchaser of the Subject Property due to the confidential nature of the negotiations. We can, however, advise the Board that the Trustees remain in discussions with several developers for the sale of the “other half” of the Subject Property. Finalizing any discussions is ultimately contingent on the how the Subject Property may be developed. Once a final decision is made by the Board on the amended PLO Ordinance, an agreement of the other half of the Subject Property would likely be imminent.

With regard to submission of land development plans, the Trustees have been in regular correspondence with our consultants and it is our intention to file the plans on or before September 29, 2017. The plans filed will pertain to the entire Subject Property and will evidence the proposed use for the entire tract. As was demonstrated with our sketch plan submission, the plans have been designed to comply with the proposed PLO Ordinance.

Lastly, please be advised that we have been in correspondence with the School District and have made a similar commitment to the School District with regard to taxes at 145 King of Prussia Road.

Should any other questions arise, please don't hesitate to contact me.

Sincerely,

A handwritten signature in black ink, appearing to read 'K B Mahoney', with a long horizontal flourish extending to the right.

Kevin B. Mahoney

cc: John Rice, Esquire  
Peter Nelson, Esquire