

**CITY OF LANCASTER REVITALIZATION AND IMPROVEMENT ZONE
AUTHORITY**

RESOLUTION No. 4-2018

ADOPTED February 27, 2018

**AGREEING TO ENTER INTO A PARTICIPATION AGREEMENT WITH THE
COMMUNITY FIRST FUND TO ACQUIRE A FINANCIAL INTEREST IN A LOAN
PROVIDED TO SQUARE DEVELOPMENT, LP TO FINANCE THE ACQUISITION OF
THE HOTEL LANCASTER**

WHEREAS, the Community First Fund, Lancaster, Pennsylvania has requested the City of Lancaster Revitalization and Improvement Zone (CRIZ) Authority acquire a participation interest in a \$4,800,000 loan to Square Development, LP to refinance the 2014 acquisition of the former Brunswick Hotel; and

WHEREAS, the acquisition loan refinancing is being provided as part of a larger financial package to finance the complete renovation of the current Hotel Lancaster to develop a full-service Holiday Inn; and

WHEREAS, on September 23, 2014 the CRIZ Authority approved providing incremental CRIZ revenues generated by The Hotel Lancaster to pay debt service on the original acquisition loan provided by Community First Fund as the lead lender; and

WHEREAS, on June 27, 2017 the CRIZ Authority approved an amendment extending the CRIZ Authority commitment from 10 years to 15 years to provide incremental CRIZ revenues generated by a fully renovated hotel property to pay debt service on the acquisition loan; and

WHEREAS, the Project Review Committee reviewed the request by Community First to have the CRIZ Authority acquire a maximum \$1,500,000 participation interest in the refinanced acquisition loan at a Committee meeting held on February 13, 2018 and has recommended the CRIZ Authority approve the request of Community First Fund, subject to certain conditions.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the City of Lancaster Revitalization and Improvement Zone (CRIZ) Authority to authorize the Chair and Acting Executive Director to execute a Participation Agreement with the Community First Fund, Lancaster, PA as Lead Lender, a current draft of which is attached hereto as Exhibit A, acquiring a maximum \$1,500,000 participation interest in the \$4,800,000 loan to Square Development, LP to refinance the acquisition loan for The Hotel Lancaster.

BE IT FURTHER RESOLVED that the CRIZ Authority's participation interest will be limited to a maximum annual payment of \$350,000 over a period of four or more years beginning in December of 2019.

BE IT FURTHER RESOLVED that the CRIZ Authority's decision to provide an annual participation payment to Community First Fund, as well as the amount of the annual payment, is at the sole discretion of the CRIZ Authority, and to be paid only from CRIZ revenues received from the Commonwealth of Pennsylvania in November of each year that the CRIZ Authority has determined are unallocated to any other commitments made by the CRIZ Authority.

BE IT FURTHER RESOLVED that the participation payments made by the CRIZ Authority will be distributed proportionally to the four Community Development Financial Institutions providing the \$4,800,000 acquisition refinancing loan, in amounts to be determined by the Community First Fund.

BE IT FURTHER RESOLVED that the CRIZ Authority will receive an annual payment of principal and interest from Community First Fund beginning in 2020 based on the then current value of the CRIZ Authority's participation in the acquisition loan.

BE IT FURTHER RESOLVED that the appropriate Officers of the Authority and the Acting Executive Director are hereby authorized to take any and all actions necessary to complete the above transaction, including but not limited to the execution of the final Participation Agreement with Community First Fund, and all other documents, subject to the approval of legal counsel.

CERTIFICATE OF SECRETARY

I hereby certify that the foregoing is a true and correct copy of a Resolution duly adopted by the Board of Directors of the City of Lancaster Revitalization and Improvement Zone Authority at a regular meeting of said Board duly called and held on February 27, 2018; that public notice of said meeting was given as required by law; that said Resolution has been duly recorded upon the minutes of said Board; and that said Resolution has not been amended, repealed or superseded and is in full force and effect this 27th day of February, 2018.

Secretary, Thomas Baldrige